200 The Best Small Companies

November 11, 1991 Four Dollars

Forbes

THE NOT SO PEACEFUL WORLD OF GREENPEACE

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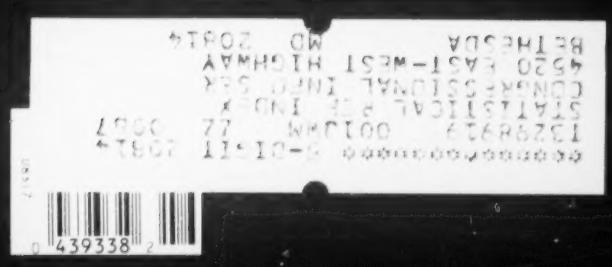

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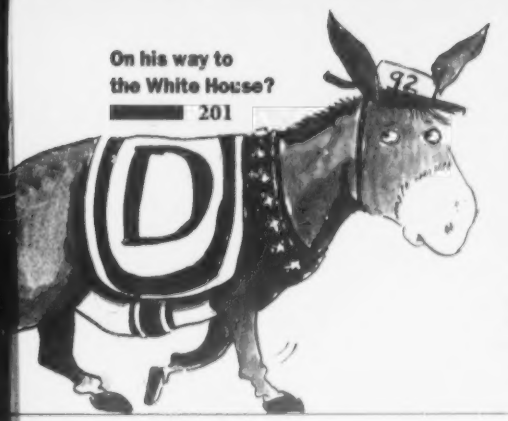

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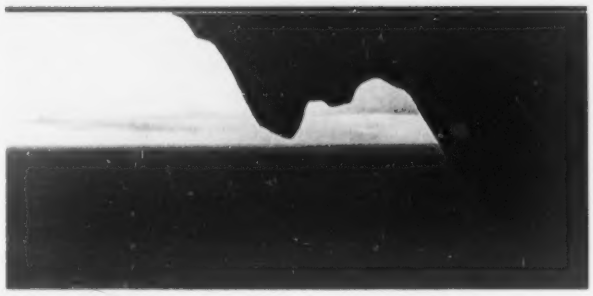

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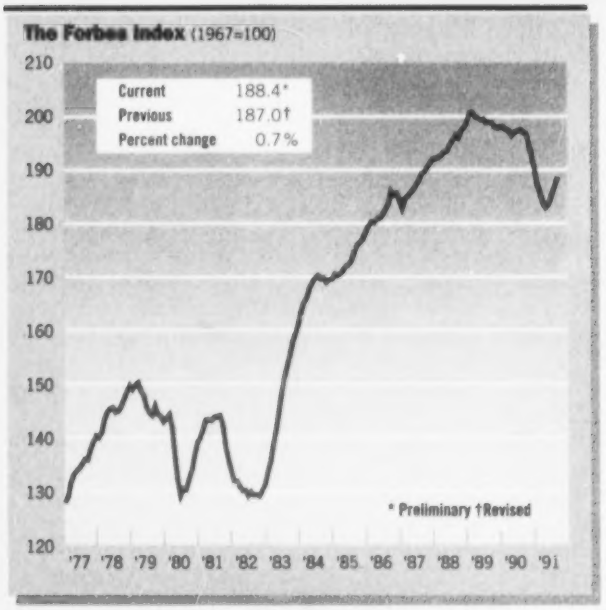
THE FORBES INDEX

BY TIMOTHY DODMAN



Americans have reduced their total debt outstanding during eight of the last nine months, and have thus strengthened their personal balance sheets. But this means they're not spending for autos, appliances or other big-ticket items that, for many consumers, can be purchased only with credit. Will things soon change? To answer that question ask another: With money market funds paying 5% and inflation running below that, why should consumers jump-start an economy by borrowing at 9% for mortgages and up to 20% (nondeductible) for credit card debt?

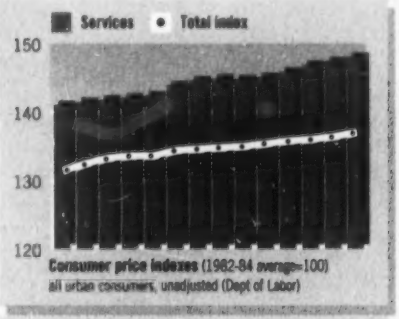
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.0%
Auto sales year to date vs 1990[1]	Ward's Automotive	-11.7%
Index of leading indicators Aug vs July	Dept of Commerce	0.0%
Trade balance 12 months ended Aug1991	Dept of Commerce	-$78 bil
All-commodity producer price index Sept vs Aug[2]	Dept of Labor	-0.3%
GNP 2nd quarter vs. 1st—annualized growth	Dept of Commerce	-0.5%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.4%

[1] U.S.-based manufacturers, excludes imports, as of 1/10/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

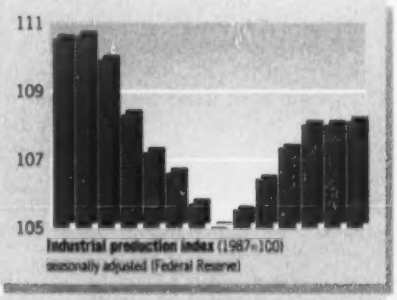
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

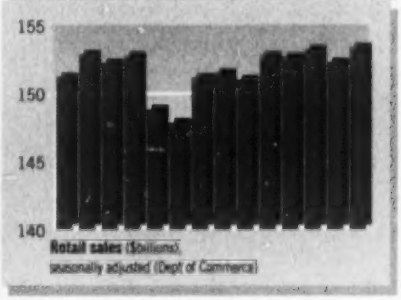


Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

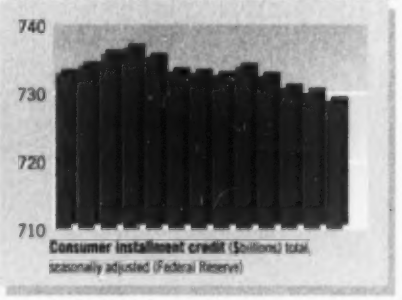
New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)



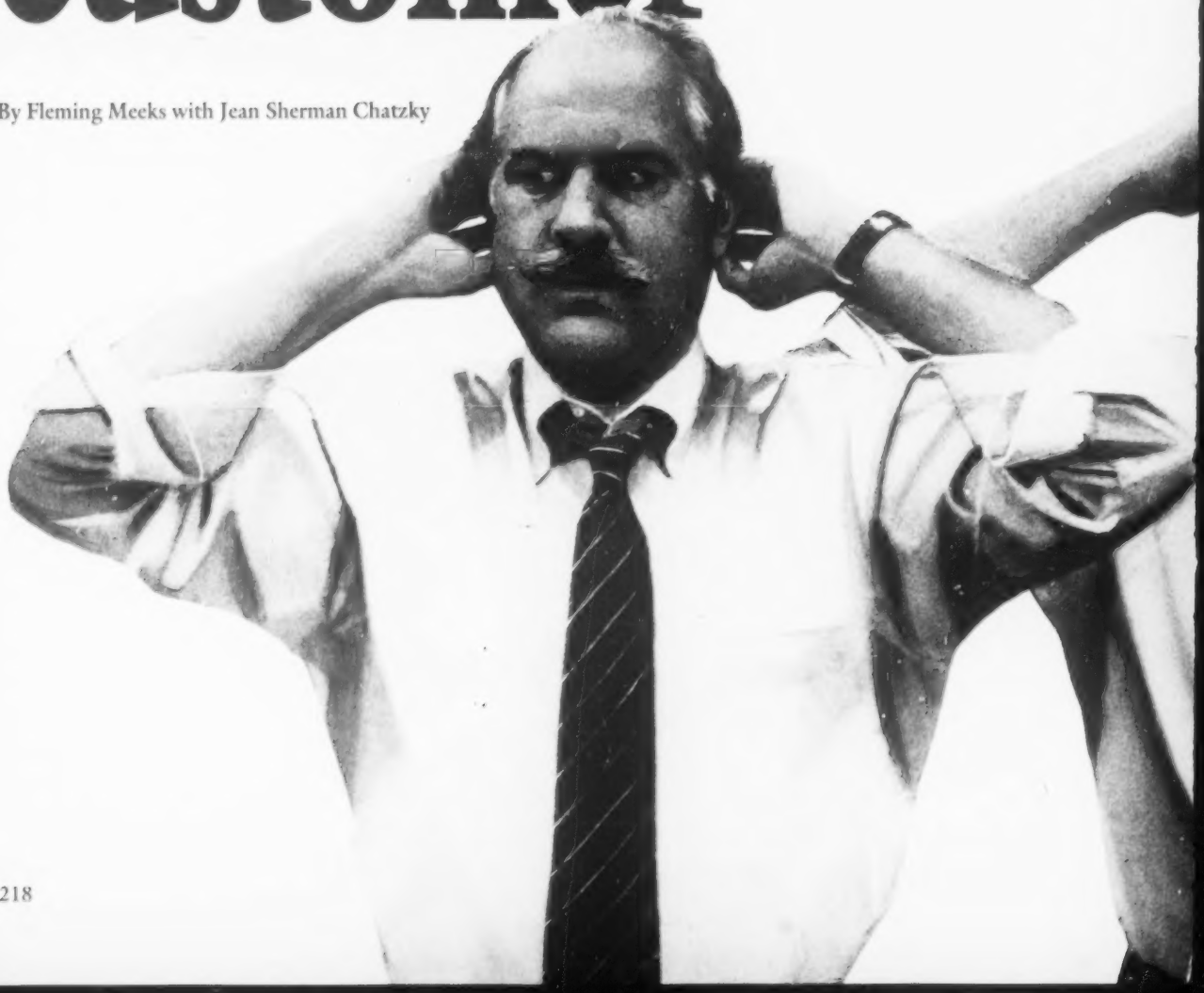
Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

A S O N D J F M A M J J A S A S O N D J F M A M J J A S A S O N D J F M A M J J A S

What's the secret to staying on our list of the 200 Best Small Companies in America? For some answers we examine the histories of four companies that seem to have the secret.

Hear, watch, and sell the customer

By Fleming Meeks with Jean Sherman Chatzky



LAST FALL recession hit Paychex Inc., the Rochester, N.Y.-based payroll processor. It hit hard. In September and October the number of paychecks it was issuing for its 125,000 mostly very small company clients fell by 3%. Groans Paychex founder and Chief Executive Thomas Golisano, 49: "We just didn't anticipate it." Worse, for the second straight year, Paychex's 335 salesmen failed to hit their ambitious annual sales quotas of 140 new clients apiece.

Red ink? A collapsing stock price? None of these. This four-time veteran of FORBES' 200 Best Small Companies in America list closed fiscal 1991 with record sales of $137 million and record earnings of $9.6 million.

Golisano was able to deal so successfully with an unanticipated drop in business because he had a promising new product that picked up most of the slack. Two years ago his salesmen started pitching a second service to clients (FORBES, *May 15, 1989*). Paychex had already been preparing its clients' payrolls—calculating pay and deductions, making out checks and preparing dozens of payroll-related tax forms. The new twist: making the tax payments as they came due. One more red-tape headache out of the way for small employers (a typical Paychex client has just 14 employees).

Taxpay, as the service is called, boosts Paychex's revenue per client by 35% to 40%. Best of all, Taxpay involves almost no additional marketing cost, since the same salespeople pitch both services to the same clients.

Thus, even while Paychex lost an estimated $2.5 million worth of its highest-margin business, it still posted strong earnings. The company now has some 26,000 Taxpay customers and is adding new ones at a rate of around 1,700 a month.

More recently, Paychex began fielding a second sales force to call on existing clients, offering health and disability insurance as well as administrative services on bureaucratically complex benefit plans. Says Golisano: "I think we're just beginning to focus in on ancillary things

It's a cliché that the businesses that thrive are those that listen most closely to customers and anticipate their needs. But that's exactly what Paychex does. By listening it learned clients wanted someone to handle their tax payment problems.

we can offer our clients."

Paychex is just one example of the veterans of our list that are extending their product lines to pick up new business from old customers.

It's a cliché that the businesses that thrive are the ones that listen most closely to their customers and anticipate their needs. But that's exactly what Paychex does. By listening it learned that its clients wanted someone to handle their tax payment problems.

It's also a cliché to say that the successful business is one that finds a niche, occupies it and exploits it to a fare-thee-well. That's precisely what Greenbelt, Md.-based Group 1 Software did. Group 1 specializes in software for direct mail marketers and other volume mailers. Ranked number 37 this year, Group 1 is a five-year veteran of the 200 Best list. In fiscal 1991 (ended Mar. 31) it earned $3.9 million on revenues of $26.3 million, up more than three-fold since it first appeared as a FORBES Up & Comer in 1987.

Just seven years ago Group 1 was a tiny division of Comnet Corp., a flailing company whose main business—computer time-sharing—was fast going the way of the buggy whip. Rapidly changing technologies were turning the little company into yesterday's news. By 1984 it was racking up big losses on declining revenues.

Enter Robert Bowen, president of the $2.3 billion (revenues) sales and marketing division of Firestone Tire & Rubber Co. Bowen joined Comnet's board in 1983 and was talked into taking over as president and chief executive the following year. "I took a huge salary decrease," laughs Bowen, "for a piece of the action."

Bowen identified Group 1's mailing list software as a potential niche business and pushed it hard. "We put all the resources we could behind it," he says. Group 1 then began pushing software packages that sort mailing lists by nine-digit zip code, carrier route and bar code. Thanks to this presorting, direct mailers get a discount rate from the Post Office. This postal discount software was first offered to big direct mail customers, like Publishers Clearing House and Time Warner's magazine group, and was later sold to insurance companies, banks and credit card companies.

It's not hard to see why the product, typically priced at $45,000, sells. Blue Cross/Blue Shield of Utah started using it early this year and has already saved over $1 million in postage.

Bowen took Group 1 public in 1987. Comnet still owns 81% of Group 1 and gets most of its income from its precocious offspring.

Group 1 has recently added a software program that does demographic analysis for target marketing and has a sophisticated program for personalizing direct mail solicitations. "The whole market is less than $40 million," says Bowen. "I think there's great potential as we figure out how to do more things for our clients. We're just scratching the surface."

Martin Lerner, chief executive of 38th-ranked American List Corp., in Mineola, N.Y., is a big fan of Group 1. "They're a very clever company," he says. "We use a lot of their software." No slouch itself, American List has ranked as one of FORBES' top Up & Comers every year since 1985.

It, too, is in the mailing list business. Each year, Lerner's four researchers compile lists of students from some 32,000 high schools around the country—nearly 7 million names and addresses, for which it pays about 15 cents each. The company then turns around and sells the names to colleges, which are looking for students; banks, which are looking to make student loans; and the U.S. military, which is looking for recruits.

Last year the company dreamed up the idea of marketing its lists to local photographers looking to drum up business taking graduation photos. Promoted—how else?—by direct mail. Says Lerner: "We made a few mailings, and lo and behold, we're selling thousands and thousands of small lists to photographers."

Like most successful niche companies, American List understands the importance of adding new products in its specialized field. This protects against unexpected downdrafts in the original business as well as against competitors attracted by its success. Founded by Lerner in 1965, American List has recently begun venturing into new mailing list niches. Lists of college students (5.6 million names) do a brisk trade with banks, like Citibank, Chase Manhattan and Maryland Bank, which use them to promote credit cards. Student lists from preschools and elementary schools (11 million) are used by Nintendo and Apple Computer. And the company's most recent compilation of names—newborn babies (about a million names, so far)—is being mailed by consumer product companies, like Kimberly-Clark (diapers) and Bristol-Myers Squibb (infant formula), which use them to send out samples and coupons.

Last year American List sold a total of over 400 million names at an average price of 2 cents each. Gross margins: around 80%. Which means that while American List's revenues are small, its profit margins are enormous. In fiscal 1991 (ended Feb. 28) the company, which employs just 21 people, earned $3.2 million on revenues of $8.8 million. And that's after Lerner, 58, collected nearly $800,000 in salary and bonuses.

Next for American List? Lerner says he might try to acquire a mailing list company that focuses on older people. "Insurance companies, retire-

Charles Johnson, chief executive of $288 million (revenues) mutual fund operator Franklin Resources, has never been shy about pitching his products. He spends about 10% of revenues advertising the Franklin name.

ment homes," he muses.

As it turns out, there are niches everywhere these days—even in the mutual fund business. San Mateo, Calif.-based Franklin Resources certainly found one. In 1982 Franklin Chief Executive Charles B. Johnson introduced the country's first tax-free state bond fund, the California Tax-Free Income Fund. Franklin's timing couldn't have been better. With interest rates falling, investors were pulling their money out of money funds and looking to lock in tax-free yields, which looked especially attractive to investors in states like California that burden their citizens with heavy income taxes.

Within two years the California fund grew to $825 million, more than doubling Franklin's assets under management. Johnson, whose father founded the firm in 1947, quickly began adding new tax-free state funds, as well as a broad range of other fixed-income government securities funds. Total assets under management—including $30 billion in 30 state tax-free funds—now top $55 billion.

In fiscal 1990 (ended Sept. 30) Franklin earned $89 million on revenues of $288 million. The second most profitable firm on our list, Franklin will probably show earnings of close to $100 million this year. And revenue growth could push the company off our list—to above $350 million—by this time next year.

Having found its niche, Franklin exploited it beautifully. Unlike Fidelity Investments, which markets its funds directly to investors, Franklin funds are sold by broker-dealers. That means brokers take about a 4% commission on the sale. Most so-called load funds treat the commissions as their principal marketing expense, and do only nominal advertising. Franklin, however, spends about 10% of revenues—an estimated $30 million last year—on mostly print ads to keep its name high in investors' minds. "Our feeling was that name recognition was very important, whether someone was buying it through a broker or buying it by mail," explains Johnson, 58, who began stepping up the firm's ad spending in the early Eighties.

Most recently Franklin has begun marketing its funds almost like consumer products, using San Francisco 49ers quarterback Joe Montana in its ads. "You use somebody like Joe Montana," explains Johnson, "because it gets people looking at your ads who may not ordinarily look at a financial ad." Johnson's unconventional approach has paid off for investors. Since 1984, when Franklin first made our list, its share has grown twenty-twofold, to a recent 38½.

Johnson notes that mutual fund assets have grown to $1.3 trillion today, up from around $100 billion in 1980. "Percentage-wise the industry can't grow as fast as it has," says Johnson. Adding that he thinks assets might double by the end of the decade, he says matter-of-factly, "We'll get our share of that."

What happens when things go seriously wrong at a FORBES 200 company? The smart company doesn't get carried away by its success but keeps a balance sheet capable of handling adversity. Consider the story of FlightSafety International (FORBES, *Nov. 13, 1989*). Headquartered in Flushing, N.Y., the $273 million (revenues) operator of simulator-based flight training is the only company to have made our list every year since we started ranking Up & Comers in 1979. This year, however, FlightSafety's impressive performance string finally ran out. Bankruptcies at big clients like Eastern Air Lines and Pan American World Airways, as well as significant slowdown in the hiring of new pilots by the airline industry, cut into the need for pilot training. Through June, FlightSafety's earnings slipped 10% on flat revenues.

But you can't keep a good company down. Albert Ueltschi, the company's 74-year-old founder and chief executive, and a member of The Forbes Four Hundred, points out that the dip in earnings is causing relatively little pain. He notes that his balance sheet shows only $34 million in long-term debt as against $188 million in cash. Better shape than it's ever been. "I think airplanes are here to stay," he says with a laugh. "When people start flying again and the airline business turns around, we're in a great position."

Are FORBES 200 companies superior investments? That's a tricky question. In one sense the answer is, definitely, yes.

Over the past year the Standard & Poor's 500 rose 27%; the Nasdaq Composite Index of over 4,000 mostly small companies jumped 58%; and FORBES' Best 200 Companies of 1990 are up a remarkable 75%. But earnings disappointments can still punish a little company's stock price. FlightSafety's earnings dip caused the solid company to miss 1991's strong market for small company stocks altogether. Its shares trade slightly below where they were when the market bottomed out this time last year.

Two years ago we tracked the ten-year performance of the companies on our first Up & Comers list and found that they beat the market by 73%. But just as you can drown in water that averages 2 feet deep, you can lose money picking stocks in a group that has done well on average. As individual stocks, slightly fewer than half the group beat the S&P—though some did so spectacularly. The rest lagged behind.

The wise investor, then, will look for small companies that are unlikely to disappoint after brilliant starts. Unfortunately, numbers based on past performance are an imperfect guide here. Know your managements—and know their products before you invest. ■

Small-cap stocks outperformed the big caps this year; the Forbes 200 did better still. You haven't seen anything yet, says Tom James.

Why small is still beautiful

By Fleming Meeks

OVER THE PAST YEAR, stock prices for FORBES' 1990 list of the 200 Best Small Companies in America have risen an impressive 75%. As a group, too, all small-company stocks have risen at better than double the rate of the broader market.

Too late to get on the bandwagon? Time for the lucky to get out and invest elsewhere? No, says Thomas James, chairman and chief executive of the St. Petersburg, Fla.-based brokerage Raymond James Financial. James says small-company stocks have waited a long time for their chance to shine, and he is convinced they will shine for a good long time.

James, 49, seemed like the right person to ask, for two reasons. First, his $257 million (fiscal 1990 revenues) brokerage (not to be confused with the notorious Stuart-James; see FORBES, *Aug. 20, 1990*) specializes in small and medium-size company stocks. And second, Raymond James itself has made the Forbes 200 list in four of the past five years, earning the 118 spot this year.

James, a Harvard M.B.A. and a 25-year veteran of the brokerage industry, joined his father's four-year-old brokerage straight out of Harvard business school, earned a law degree

Tom James, Raymond James Financial chief executive

"A correction wouldn't change my conclusions for the long term."

on the side from Stetson College of Law in St. Petersburg, and took over the $5 million (revenues) firm in 1969, at the young age of 27.

Five years later, as the country moved through the 1973-74 recession and a market crash that was particularly hard on small stocks, the company was on the ropes. "That was like Chinese water torture," James recalls. "It got progressively worse. You couldn't get salesmen to make phone calls. Everything they sold went down and continued to go down. We were in survival mode."

At this point the younger James' business school training came in handy. "My father really didn't like administration," says James. "He was more interested in the sales process." James concentrated on administration and finance. He closed 5 of the company's 14 offices, and for over a year, until the market turned around, neither he nor his father took a salary.

Ever mindful of that close call, he's since expanded his company with an eye toward keeping costs low. All but 42 of the company's nearly 700 offices operate like franchises. The brokers in these offices are independent contractors who pay their own fixed costs and overhead out of their sales commissions. As a result, even as the market went into a swoon in the second half of last year, Raymond James' net margins were rising to a lofty 7.6%. (Industry average: 2.7%.)

For fiscal 1991 (ended Sept. 30) the company is expected to earn $25 million, or $2.70 a share, on revenues of $290 million. Recent price of Raymond James' New York Stock Exchange-listed shares: 24½, or less than ten times expected earnings.

But back to small-company stocks. Why does James thinks they still have lots of life left in them?

James: Small-capitalization stocks got decimated by the 1987 crash. Then people moved into larger-cap stocks for safe long-term growth performers. So the small caps didn't recover as fast. This year those stocks, many of which were growing faster than the big growth companies, but were selling at discounts to the market multiple, finally caught up.

But have the small caps done all their catching up?

They've made up the deficit from that period, but clearly they haven't made up the longer-term deficit, coming out of 1982. [Since the market bottomed out ten years ago, the Nasdaq index has lagged the S&P almost 20%.] So I think there's plenty of upside in terms of their relative valuation versus the bigger stocks.

Why do you think the small caps performed so poorly over the long term?

Some of the reasons are structural. Though money managers have a lot more money to invest these days,

Tom James and father Robert, circa 1970
Son Tom became his father's boss in 1969. "It was an unusual relationship."

unless they have an emerging growth category, they simply can't put enough into small-cap stocks to influence their overall performance.

Another structural thing that's happened is that more people have decided that the market indexes are very difficult to beat. As a result, you have large pension funds and state funds sending their money to index managers. In other words, you have more quantitative money managers and fewer stock pickers.

And there are fewer broker-dealers these days and fewer account executives. Necessarily that has resulted in less coverage of small-cap stocks.

That doesn't sound bullish.

It's a reversible thing to some extent. As the markets improve, as the profitability of the retail and institutional sides of brokerage firms increase, we will have additional analysts hired and trained in our industry.

We'll also have some additional new small broker-dealers who will be doing some research on their own. And they'll focus more on small-cap stocks.

And when you have a period like we've had in the last nine months, it accelerates the move into smaller stocks. People pay more attention because those are the stocks they've owned or the stocks their friends have owned. They're the ones people hear about at cocktail parties.

So if you look out three or four years, I think you'll find that small-cap stocks will outperform the rest of the marketplace.

Any downside?

When you have a rapid runup like we've had, if you happen to get a major market correction, these stocks would retrench a good percentage of their gains. But that would not lead me to change my overall conclusions for the intermediate and longer term. It would just refocus people on a lot of these stocks again. You would have a chance for more increase.

More opportunities like last fall?

That's right.

The largest concentrations of companies among the Forbes 200 this year are in health care, environmental, computer software and peripherals, and medical technology. Do these groups look good for the future?

Boy, I tell you, if you look where we're focusing, it's on the same groups. We're also looking at restaurants and entertainment, because we think you're going to have a continuation in terms of increases of people eating out and finding things to do with their leisure time. And we like financial institutions, not because of tremendous growth, but because of the consolidation that is going to continue.

Telecommunications is another area where we see tremendous opportunity internationally. It's a great opportunity for the U.S. to lead the restructuring of the telecommunications industry worldwide. Those are the industries where I think there's a lot of opportunity, and a lot of opportunity for small companies. ■

Here's an insurance company that does so well from premium income it can treat its investment income as icing on the cake.

Policies priced for profit

By Ignatius Chithelen

Colonial Cos. Chairman Gayle Averyt
"We have been plowing this field for a long time."

IT WAS THE sort of revelation that changes people's lives. Edwin Averyt was a 26-year-old bond salesman in Birmingham, Ala., struggling to make a living. One day he bumped into a University of Alabama classmate who was selling $1,000 accidental death insurance policies for a $2 annual premium. His friend had sold 18 policies that morning—beginning on the top floor of a single building and working his way down. Seek no more. Edwin Averyt was soon selling similar policies.

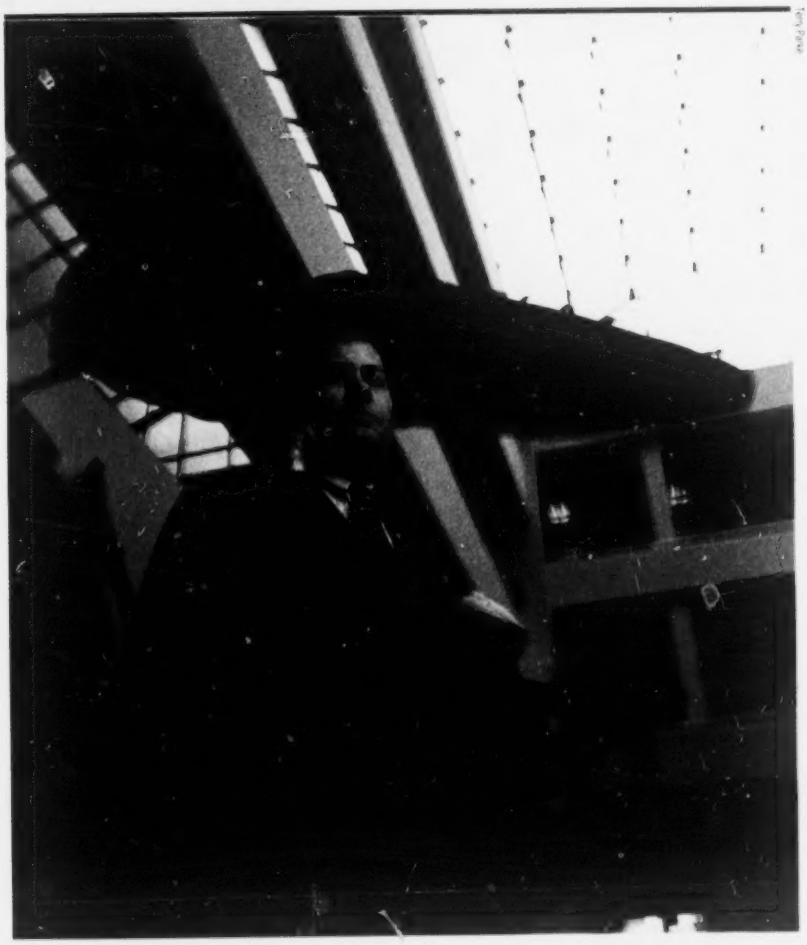
If you wonder why anyone would bother buying a policy that paid only $1,000, we hasten to add that this was 1929—and a buck was still really a buck. Unfortunately for Averyt, it was also the year that Wall Street laid its spectacular egg, and soon bucks were in very short supply. It was a living, but a tough living, in Small City, U.S.A. during the Depression.

Then came a windfall. Averyt earned a $2,000 commission on a savings bond sale for the United Securities Co. of Missouri. He took the money and with a partner started what is now Colonial Cos., Inc. to sell accidental death insurance.

Though Averyt had no background in the underwriting side of insurance, he understood basic business economics. Actuarial tables showed he need set aside only 56 cents in reserve for each $1,000 accidental death policy. Then it was simply a matter of pricing. Since life insurers were getting $30 annual premiums for $1,000 insurance policies, Averyt figured his salesmen could easily sell the accident policies at one-tenth the price. He priced his policies at $3, and, to be conservative, reserved a dollar for each $1,000 policy he underwrote.

It worked so well that operating earnings at Colonial, now based in Columbia, S.C., have compounded at an average annual rate of 15% since 1939. Last year the company earned $33 million, or $2.16 per share, on revenues of $306 million.

Colonial's five-year return on equity has averaged 12.7%, winning it the number 155 spot on this year's list of the 200 Best Small Companies in America—the fourth time in five years that Colonial has made our list. At a recent price of 27¼, or 11 times earnings, the Averyt family stake—



Colonial Cos. Chief Executive Stephen Hall
Low premiums, high profits.

over half the company's voting stock—is worth $34 million.

Colonial succeeded by stubbornly refusing to stray far from the formula that made it successful: selling small insurance policies at small premiums but high markups. "We have been plowing this field for a long time and know how to make money," says Gayle Averyt, 59, who joined his father's business in 1958. A Harvard M.B.A., Averyt took over from his father as chief executive in 1970 and retired earlier this year. He continues as chairman. "I thought 20 years of being CEO was enough," says Averyt, who now devotes most of his time to civic and philanthropic interests.

These days Colonial's roughly 2,400-person sales force services 40,000 accounts—mostly small businesses—covering nearly a million premium-paying customers. Policies covering accidents, both on and off the job, account for 60% of Colonial's business. The company also sells sickness, cancer and life insurance policies, mostly as a package together with the accident policy. Since 1955 it has been selling policies to small businesses as well as to individuals.

The secret of Colonial's profitability is simply this: Low premiums do not necessarily mean cheap insurance. Though the face amounts are relatively small, Colonial prices its products in a way that yields it a lot of profit. "All our products are priced to make a profit solely from the premium income," says Chief Executive Stephen Hall, 45. A University of Utah M.B.A., Hall joined the company's finance department in 1973.

Because its policies are so profitable, Colonial needn't gamble with speculative investments to boost the return on its reserves. Three-quarters of its investments are in high-quality bonds. Colonial steered clear of junk bonds throughout the Eighties. It did, however, scoop up $14 million in better-quality junk issues at attractive prices last year because investors were then running away from them.

It also helps profitability that five decades of underwriting experience enables Colonial to forecast payments on policies to within 1% of the actual figure. "Our database is the one thing our competitors would very much want to steal if they broke into our offices," says David Halmrast, Colonial's chief financial officer."

In 1985 Colonial's payroll deducting business got a boost after one of its top salesmen got an idea from perusing Section 125 of the Internal Revenue Code. Section 125 enables employees to pay for accident and cancer insurance policies with pretax dollars. An employee earning less than $20,000 a year gets an accident policy paying disability income of $600 a month, hospitalization benefits and up to $12,000 in death benefits with a $20 monthly premium for the equivalent of 16 posttax dollars. The employer also benefits, since a smaller pretax payroll means smaller Social Security payments. Last year over half of the company's new policies, and over a quarter of its $281 million in total premiums, were sold under this program.

Most large insurers have stayed out of Colonial's niche. Why? The administrative hassles of maintaining a large number of small-premium policies, combined with lower than average policyholder retention rates, meant it simply wasn't worth bothering with.

Colonial's biggest problem now and throughout its history has been hanging on to top salespeople. Because the company's policies are so small, after two years on the job the average salesman earns only around $25,000 a year. So only three out of every ten salesmen Colonial trains annually stay more than a year. Which makes Colonial something of a training school for salespeople—not a bad reputation when it comes to attracting ambitious young people, even if only for a few years. ■

After Gerry Shreiber sold his share of a little machine shop, he met a water bed salesman who talked him into buying a bankrupt pretzel company. A little snack food empire was born.

"Discover, salvage and build!"

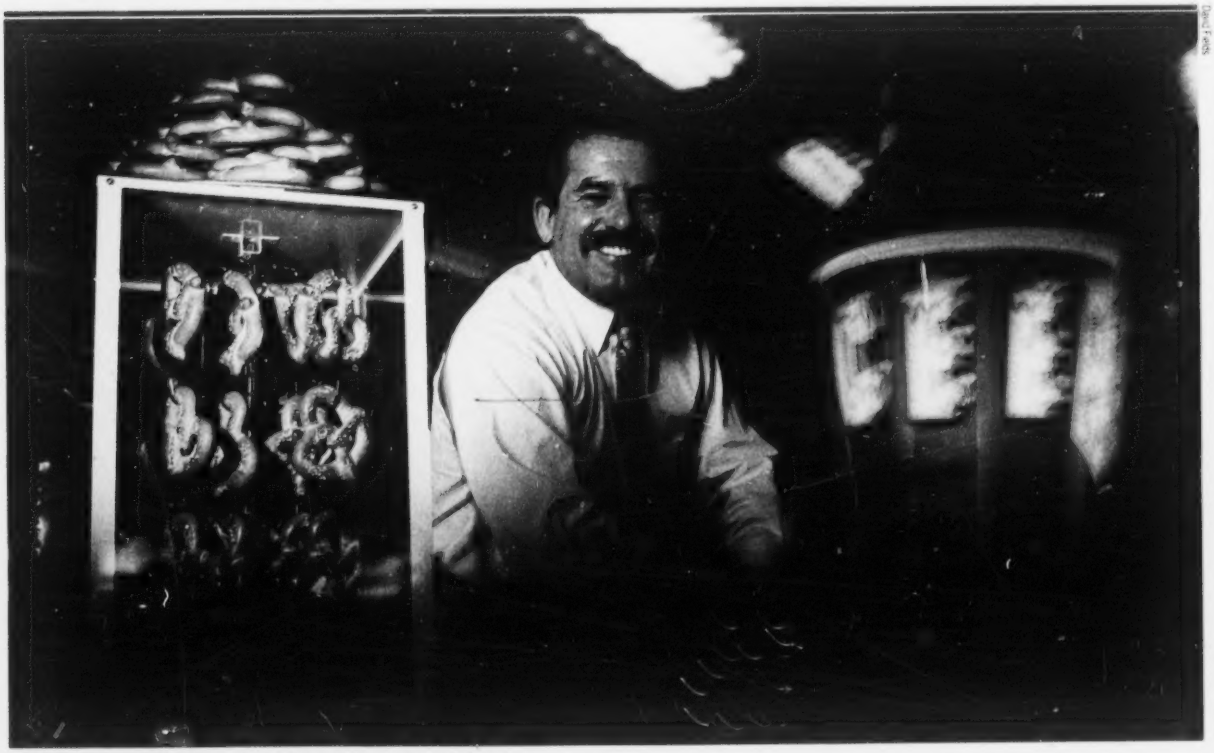
By Christopher Palmeri

ECCENTRIC pretzel baron Gerald Shreiber paces the floor constantly, tends to shout at inappropriate moments for emphasis, and keeps a German shepherd named Kelso under his desk. Kelso has his own business cards, complete with a title (Chief Executive Dog) and phone and fax numbers. "Discover, salvage and build!" shouts Shreiber, enunciating his business philosophy.

It is a philosophy that has taken Shreiber far. Discovered, salvaged and built from bankruptcy, his J&J Snack Foods Corp. supplies some 70% of the soft pretzels that will be sold this year in the country's malls, convenience stores, amusement parks, stadiums and movie theaters. Add in J&J's Slurpee-like frozen soft drinks and a few other snacks, and the company (it's ranked 157 on the 200 Best list) is expected to report earnings of $6 million, or 66 cents a share, on revenues of $110 million in fiscal 1991 (ended Sept. 30). With the stock trading at 14½, nearly 22 times earnings, Shreiber's 26% of the company is now worth $42 million.

Who would have guessed that Gerry Shreiber would do so well? In 1960 Shreiber, then 18, dropped out of New Jersey's Rider College and took a job as an apprentice in a machine shop to support his wife and newborn daughter.

Seven years later he quit the shop and with a friend started a metalworking business in a garage below a Philadelphia pool hall. The venture became a viable business, but it wasn't



David Fecks

J&J Snack Foods Chairman Gerald Shreiber with his products
Can he repeat his soft pretzel trick in slushy sodas?

for Shreiber. "I didn't like being dependent on other companies for business," he says. "I wanted my own product." The partners sold out in 1970, with Shreiber, then 28, pocketing about $60,000.

By chance, Shreiber wandered into a Philadelphia water bed store in 1971. Its owner unburdened on Shreiber a tale of woe. He said he was the largest secured creditor of a bankrupt soft pretzel company. The company's owners were trying to get him to relinquish his claims for 5 cents on every dollar they owed him.

Smelling distressed assets with value behind them, Shreiber looked at the pretzel business and toured the plant. Convinced he could do something with the business, he struck a deal to buy the water bed store owner's claims against the company for 10 cents on the dollar—around $30,000 all told—plus a share of whatever profits Shreiber could wring from the business the first few years. Shreiber then went to bankruptcy court, where he outbid the pretzel company's owners for the assets. For $72,100 he got J&J Soft Pretzel, which consisted primarily of a leased building, pretzel making equipment and eight employees.

At the time, J&J had at least ten major competitors. But most of them thought of soft pretzels as a small-time business, one without much potential to grow. Shreiber thought big time. Robert Radano, now one of J&J's senior sales executives, remembers that when he applied for a truck driving job at J&J in 1972 the ambitious young Shreiber had a map of the U.S. on his office wall. The map had only two pins in it—at Philadelphia and Shrewsbury, N.J.—indicating where the company then had distributors. Today J&J sells its products through a network of 145 food brokers and 875 independent distributors in all 50 states.

Not content to limit himself to the market that then existed, Shreiber aggressively sought to expand the demand for soft pretzels. When he discovered that soft pretzel vendors didn't want to bother with baking the pretzels, he sold them prebaked and frozen pretzels.

About 80% of J&J's soft pretzels are now sent out already baked and frozen. Shreiber sold pretzels to schools, bowling alleys and sports arenas in towns that had rarely seen a soft pretzel. To sell more of his product to snack bars, where counter space is at a premium, he developed compact pretzel ovens and display cases.

"The more business we did," says Shreiber, pacing and barking, "the more I thought we could do more."

As J&J expanded, its unit costs fell to among the lowest in the industry. Pretty soon the weaker competitors gave up; five of them have since sold out to Shreiber.

J&J's main pretzel plant in Pennsauken, N.J. **Shreiber has made soft pretzels a national snack, cranking out 2 million a day.**

Still, the national appetite for soft pretzels is not limitless. Now producing around 2 million pretzels a day, J&J may be approaching its limits. J&J's core business, soft pretzels for vendors in the food service industry, was flat between 1989 and 1990. Ronald Strauss, a food industry analyst with William Blair & Co., is predicting the company's food service growth will be less than 10% a year over the next few years—hardly a growth rate that can justify J&J's stock's selling at 22 times earnings.

So, as always, Shreiber is working to develop new markets for his soft pretzels. He has been placing the product in warehouse clubs and their snack bars, for example, and has developed bite-size soft pretzels with cheese dip that are now available in about 150 movie theaters. McDonald's has also been test-marketing J&J's soft pretzels at some of its stores.

Another idea: frozen soft pretzels for consumers, which Shreiber tried to sell through supermarkets starting in 1986. So far this has not been profitable, largely because Shreiber underestimated the need to market his frozen SuperPretzels to consumers. But Shreiber isn't giving up. Last year he hired Michael Karaban, former head of marketing for Kraft General Foods' $150 million Lender's frozen bagels brand. Karaban redesigned J&J's frozen pretzel packaging and switched the company's marketing focus from trade discounts to consumer advertising.

Shreiber has been having much better luck on his latest venture, frozen soft drinks. This is a $500 million (retail revenues) market whose biggest name is the Slurpee brand, owned by Southland Corp.'s 7-Eleven stores. Three years ago Shreiber bought a moneylosing little company that sold a slushy frozen drink called Icee. Icee, which J&J sells in 15 western states, Mexico and Canada, already makes up 35% of J&J's revenues. Sales and operating income for the division are growing at rates of better than 20% a year.

Shreiber hopes to expand nationally by buying more Icee franchises and pushing Icee into more and more convenience stores and discount-store snack bars, much as he did with soft pretzels. To that end, in July, J&J raised $29 million in a secondary stock offering. The money is being invested primarily in Icee dispensing machines, which the company is placing in stores as fast as the machines can be built.

Discover, salvage, build—despite his impressive wealth, Shreiber applies this dictum to his personal possessions as well as to business. A dyed-in-the-wool penny-pincher, he owns a horse farm in Mullica Hill, N.J. that he bought at a bankruptcy auction. He picked up his English Tudor beach house on the Jersey shore cheap in an estate sale. Even Kelso, the Chief Executive Dog, comes from the pound. Having built a successful pretzel business from scrap, can he repeat the trick in frozen drinks? Chances are he can.

John Brown's Stryker Corp. has grown at better than 20% a year since he joined the company in 1977. For how much longer? Forever, replies the ebullient Brown.

Focus through decentralization

By Zina Sawaya

HOMER STRYKER'S cleverness nearly got the better of him. Fifty years ago the Kalamazoo, Mich. orthopedist invented a mobile hospital bed with a frame that pivoted from side to side so that doctors could position injured patients while keeping them immobile. He soon won a contract to supply the beds to the Army, and his little business was off and running. But when World War II ended, the government canceled its contract, and Homer Stryker was stuck with huge inventories.

What to do? More of a doctor and a tinkerer than a businessman, Stryker turned to professional managers. They started selling the beds—technically known as stretchers—to hospitals. The business was saved, and Dr. Stryker continued with his medical practice and his inventions. Soon he came up with a second product—a cast cutter, still used in hospitals today, which removes casts without ripping a patient's skin.

Michael J. Agliolo

Stryker Corp. Chief Executive John Brown

Decentralization, diversification and a fixation on 20% growth.

These days Stryker Corp. continues to churn out new ideas for the hospital market. The Kalamazoo-based firm—which has made our list of the 200 Best Small Companies in America for ten years straight—now offers an array of niche products, including bone drills and saws, hospital beds, hip implants and video cameras for internal surgery.

Stryker earned $24 million last year (before a $10 million gain from a patent settlement) on revenues of $281 million. With a five-year average return on equity of 16.8%, Stryker ranks 108 on 1991's Best Small Companies list.

The man behind Stryker's success is John Brown, a 57-year-old Tennessean who took over as president in 1977. An Auburn University graduate, Brown came to Stryker after Homer's son, Lee Stryker, who

had run the company since the mid-Sixties, died in a plane crash. Prior to Stryker, Brown ran a subsidiary of Bristol-Myers Squibb that made surgical instruments.

While Stryker had a well-established niche in the hospital market, the company was not without problems. When Brown took over, the family-owned firm was still reeling from Lee Stryker's death and recovering from a couple of managerial fumbles. Most members of its sales force had quit after their compensation system was changed from commissions to salary. And an unrelated disagreement with union officials over workers' salary had led to a monthlong strike. (Stryker's workers have since voted out their unions.)

Brown's first moves were to establish a formal budgeting system, cut costs and rebuild the sales force—by putting it back on commission. He then turned his focus to the company's product line.

"Stryker's name was bigger than the company," recalls Brown. At the time, nearly 70% of Stryker's revenues was coming from hospital beds. Leveraging the strength of Stryker's name with hospitals, Brown added hip implants and medical video cameras, and beefed up his line of surgical power tools. Stryker's surgical group, which includes these products, makes up over 80% of the company's sales and most of its profits.

Next, Brown broke the company into several divisions, allowing each to operate autonomously. Autonomy for the managers was not the same thing as freedom. Brown told them that he wanted each division to grow at no less than 20% annually. "That's the law," says the soft-spoken but iron-willed Brown. A law he has successfully enforced. Stryker has posted 20%-plus earnings growth every year since 1977.

Brown uses a sort of friendly intimidation to get his message across. "When I inherited the medical division, sales were flat," says Harry Carmitchel, who was hired in 1987 to run the lagging hospital bed operations. "My first month, he [Brown] comes up to me and wants to know why it's not growing already." Carmitchel introduced a series of new products and strengthened his sales force. And as the quarterly growth chart posted in his plant's hallway indicates, he brought the division up to snuff.

Brown's divisional strategy has proved critical as Stryker's product line has grown more complex. Instead of one sales force peddling everything from maternity beds to high-tech machinery, each division now has its own, often highly trained, sales staff. "It's achieving focus through decentralization," says Brown.

The specialized sales teams also helped Stryker better meet its customers' needs. Stryker's salespeople act as a de facto research and development team. As such, most of the company's new product ideas come from salesmen standing in the operating room next to the physician. There they can observe the doctor in action, write down his comments and come up with ways to improve a saw, a hip implant or a hospital bed.

Assembling a surgical drill

Listening to doctors for new ideas.

Case in point: Eye surgeons kept complaining about a bed's lack of flexibility at the head level. It was hard, they said, to position a patient's head. Stryker people took note. Next year the company will roll out a bed with a movable head rest—an incremental change but an innovative one, and one that will bring higher margins than the standard bed.

Since 1986 Brown has almost quadrupled research and development expenses, to about $25 million this year. While the salespeople bring back specific requirements for product improvements, a staff of more than 150 does the actual engineering and design work in Stryker's labs. The combination keeps Stryker's product line growing. Half of Stryker's current products were introduced in the last five years.

Another hot new product is a tiny, $18,000 video camera used with a laparoscope for gall bladder surgery. Rather than making a major abdominal incision, the surgeon punctures the abdomen and inserts a laparoscope—a long instrument used to peer inside the abdominal cavity. Aided by the camera, which projects a clear and accurate image on a large color screen, the surgeon can swiftly remove the gall bladder. Instead of a two-week hospital stay, the patient is out the next day. Pressure to hold down health care costs have made this a brisk seller.

Brown may use some of the company's $64 million in cash for acquisitions. But chances are it won't burn a hole in his pocket. Over the past five years Brown has spent only $15 million. He points to Stryker's acquisition of Osteonics Corp., a maker of hip implants, as a model. When Stryker acquired it in 1979, Osteonics had a promising new product and zero sales. Stryker's Osteonics division is now one of its most profitable operations. Says Brown: "We buy ideas, not companies."

Stryker has been public since 1979, when the Stryker family decided to sell stock to free up some of its assets. Its o-t-c-traded shares have since risen twofold, to a recent 28½. (The family still owns 24% of the company, worth $325 million.)

This year Cowen & Co. health care analyst Daniel Lemaitre expects Stryker to earn $31 million, or 65 cents a share, on revenues of $360 million. With the stock at a hefty 44 times expected 1991 earnings, the market seems to think Brown can maintain Stryker's impressive growth rate for the foreseeable future.

For his part, Brown insists that he has no intention of letting up on his ambitious growth goals. "It's not just 20% this year," he says. "It's 20% forever." ■

Robert Hawk started an Italian restaurant as a lark. Nearly 20 years later, his Spaghetti Warehouse chain is on a roll.

Crazy like a Hawk

By Claire Poole

ROBERT HAWK had an appealing sort of problem. It was 1970, and Pier 1 Imports had just gone public—four years after a management buyout from Tandy Corp. Hawk, who was then 43 and a Pier 1 vice president, saw his small stake in the company turn into a couple of million dollars' worth of stock. Suddenly, he recalls, "I had more money than I knew what to do with."

Then he remembered something his former boss Charles Tandy once said. "When you reach that point in your life," Tandy said, "run a bar, start a restaurant or retire on a farm." Farm life didn't appeal to him, so Hawk cashed in some of his Pier 1 stock, leased an abandoned pillow factory on the west side of downtown Dallas and turned it into a family-style Italian restaurant he called Old Spaghetti Warehouse.

"My friends thought I was crazy," says Hawk, a soft-spoken 6-foot-2 Oregon native. "I'm not sure that I wasn't." That was in 1972.

In 1991 it is more than clear that Hawk wasn't crazy. The restaurant, which offered basic pasta dishes at prices college students and young families could afford, was so successful that six months after he opened it Hawk quit Pier 1 and went into the restaurant business full time. Today his $43 million (revenues) Spaghetti Warehouse chain has restaurants in some 20 cities around the country. With a five-year average return on equity of 14.5%, Spaghetti Warehouse ranks number 135 on FORBES' list of the 200 Best Small Companies in America, up five notches from its ranking last year.

Like Hawk's first restaurant, most Spaghetti Warehouse outlets are in converted factories and warehouses in urban areas. The basic fare: 11 different made-from-scratch pasta sauces—from meat and meatballs to something called beer chili—as well as 15-layer lasagna, manicotti, cannelloni and chicken parmigiana. Average restaurant size: 15,500 square feet, with 450 seats.

Most nights find the restaurants serving to capacity. Prices, still reasonable, are one reason. Lunch is less than $6, and an average dinner bill, excluding tip and alcoholic beverages, usually runs just over $8—not much more than a movie ticket. The quirky decor, mostly picked up at auctions and junk shops, adds to the entertainment value. In addition to mismatched tables and chairs, most restaurants feature stained-glass windows, chandeliers, brass beds converted into seating, church confessionals turned into phone booths, even eat-in trolley cars.

"The concept brings them in," says Hawk. "The food brings them back."

Since the initial public offering in 1985, revenues have more than tripled, to $43 million in fiscal 1991 (ended June 29). Earnings hit just under $4 million, or 76 cents a share, up from 24 cents in 1985.

If anything, the recession may have helped Hawk's business: These days

Robert Hawk, founder and chairman of Spaghetti Warehouse
"My friends thought I was crazy. I'm not sure that I wasn't."

Louis Neeb, Spaghetti Warehouse's new chief executive

Plans to open five new restaurants a year over the next few years.

people don't stop going out to eat when things get tough, but they do look for less expensive places to go. Over the past 12 months, the company's net earnings rose over 38%. At a recent price of 24⅞, Spaghetti Warehouse's New York Stock Exchange-listed shares have risen fourteenfold from their offering price. Hawk's 6% of the company is worth around 9 million.

How does Spaghetti Warehouse keep prices low and still wring over 9 cents of net profit from each sales dollar? (The industry average of all restaurants is a bit less than 9%.) It all starts with the buildings. Hawk typically picks old factories and warehouses in run-down areas of inner cities where the real estate is cheap. In Oklahoma City, for example, Hawk bought an abandoned furniture warehouse for $187,000 in 1989. And because the location was in a historic area, he got a $100,000 tax credit for renovating the building. The low acquisition costs allow him to spend real money, usually around $2 million each, to refurbish his buildings. In its first year, the 400-seat Oklahoma City restaurant generated $3.8 million in sales and $1.1 million in operating cash flow.

Spaghetti Warehouse's basic pasta fare is relatively inexpensive to prepare, and Hawk minimizes the cost by centrally buying staple ingredients—spaghetti, tomato sauce and cheese—directly from manufacturers whenever possible, often countercyclically. As the chain has grown, the company has achieved better economies of scale. In fiscal 1991 food costs were down to 23.2% of sales, versus 25.3% four years ago. Each percentage point of savings adds over $400,000 a year to pretax earnings.

The trick in any moderately priced restaurant operation is to keep costs low but the level of service high—otherwise your customers will soon find another place to eat. To resolve the conflict between low cost and high service, Hawk pays his managers year-end bonuses that run betweeen 30% and 50% of their base pay. The bonuses are based on both a restaurant's profitability and its sales growth. That's a big incentive to run a tight ship, but not a too-tight one. Including bonus, the average Spaghetti Warehouse general manager makes $67,000 a year; kitchen managers get around $45,000.

Spaghetti Warehouse now operates restaurants as far afield as Rochester, N.Y., Charlotte, N.C. and Tampa, Fla., but Hawk believes there's still plenty of room to expand. In May the company raised $20 million in a secondary stock offering. Hawk used half of the money to pay down the last of the company's debt. The rest will go to refurbish the Dallas flagship restaurant and fund expansion plans—at least five new restaurants a year over the next couple of years, in places like San Antonio, Cleveland and Columbia, S.C. Hawk has also recently signed his first franchise agreements; these will put Spaghetti Warehouses in Kansas, Tennessee and southern California.

Hawk officially retired as president and chief executive officer of the company in July, bringing in Louis Neeb, 52, a former president of Steak & Ale and Burger King. But Hawk is still very much involved. As chairman, he spends most of his time shopping for new sites and attending auctions to bid on fixtures for the restaurants (or antique cars for himself), or fishing near his vacation home in Crested Butte, Colo.

An informal fellow who helps hang signs before restaurant openings wearing an old flannel shirt, blue jeans and a cowboy hat, Hawk says he's as surprised by his current good fortune as he was 19 years ago when he cashed out his Pier 1 stock. Announcing his retirement, he described his success in a typically self-effacing fashion: "It was the case of a blind hog stumbling into the sour mash." Well, that and a lot of attention to the paying customers and figuring out what they want and will pay for.

Laser Precision has managed to weather a managerial storm that would have sunk most little companies. Whether it can now realize its potential for growth is a very open question.

Lull before the next storm?

By Fleming Meeks and Jean Sherman Chatzky

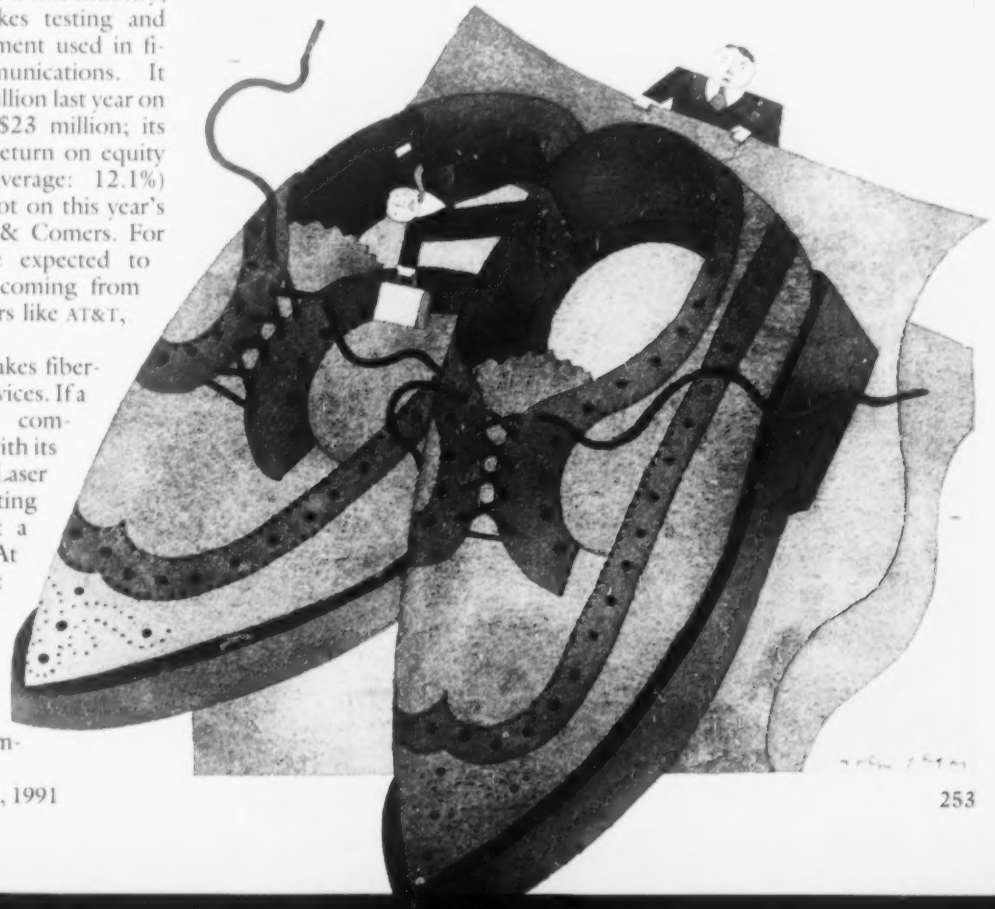
USUALLY, high turnover of top management is anathema to small companies—a sign of impending death. Yet Laser Precision Corp., of Irvine, Calif., seems to have survived managerial turmoil that has seen three individuals occupy its chief executive office in about as many years. Whether the company can continue to survive is the question.

A hot company in a hot industry, Laser Precision makes testing and measurement equipment used in fiber-optic telecommunications. It earned close to $2 million last year on revenues of nearly $23 million; its consistently strong return on equity (five-year annual average: 12.1%) won it the 166th spot on this year's list of the best Up & Comers. For 1991, revenues are expected to reach $27 million, coming from sales to big customers like AT&T, Sprint and MCI.

Laser Precision makes fiber-optic cable testing devices. If a telecommunications company has a problem with its fiber cable, it uses Laser Precision's testing equipment to shoot a beam into the cable. At a distance up to about 80 miles, the beam can locate and diagnose any defect in the cable. So strong is the product that the company commands a 26% share of the worldwide market for fiber-optic test equipment.

Walter (Mike) Doyle, a University of California at Berkeley Ph.D., and a couple of college friends started Laser Precision in 1969 in Utica, N.Y. They raised $150,000 in a tiny intrastate offering in 1970. In 1977 Doyle moved the company's work in laser-based chemical analysis to California. His partners remained in Utica to work on fiber-optic test equipment. (They eventually left the company.) In 1980 Doyle raised $1.5 million from the public for the marginally profitable company. But growth remained slow. Doyle kept the company afloat by selling more shares, slowly diluting his initial stake.

In 1984 he met a successful venture



capitalist named David Goodman. Doyle needed help and asked Goodman to become a consultant to the company and later join Laser Precision's board. Goodman recommended that the company pump more money into the fiber-optic side of the business.

Goodman then introduced Doyle to his old friend C. Fredrick Sehnert, who had been involved in several high-tech companies—Kratos, Inc. and Wavetek Corp. among them. Goodman brought him into Laser Precision in 1985.

Over the next three years the fiber-optic test equipment business began to take off, bringing in large operating profits. But in 1988 the chronically unprofitable laser-based chemical analysis group, Doyle's baby, was dragging down Laser Precision's earnings.

The board asked Doyle to bring in a professional manager to run the company. Doyle resisted the idea. The board fired him in 1988.

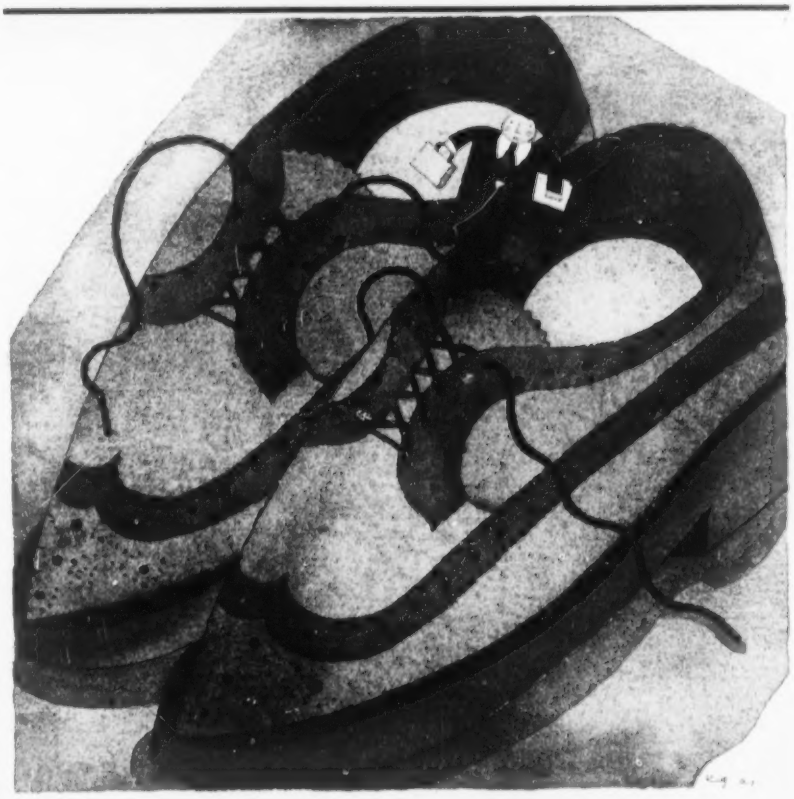
With the founder gone, who would run the company? The board picked Goodman, then 68, who had not held an operating job since the Fifties. He continued to push the fiber-optics test equipment side of the business. But he also continued to invest in the moneylosing analytic division.

In 1989 revenues stalled at $26 million. The fiber-optics test equipment division was still growing smartly and throwing off good money, but losses in the analytic division dragged earnings to less than $200,000, from $1.9 million the previous year. Laser Precision's stock price was more than halved, to below 3.

It was, as they say, a defining moment in the company's development. But still Goodman resisted the board's pressure to get rid of the troubled division. Finally, the board acted. Early this year Laser Precision sold the analytic division, turning Laser into a hot stock. By August its shares shot up to over 16.

In August the board fired Goodman, replacing him with Fredrick Sehnert. The stock has recently eased to around 9.

How has Laser Precision survived this turmoil? The product, as noted, is excellent. And the engineering, marketing and production people, most of them based at the company's manufacturing facility in Utica, continued to introduce successful new products while the generals out on the West Coast have squabbled and departed. Moreover, the market for Laser Precision's testing equipment is growing rapidly. Montgomery Securities expects the global market for fiber-optic test equipment to grow to $400 million by 1994.



How has Laser Precision survived this turmoil? The product, as noted, is excellent. Moreover, the market for fiber-optic test equipment is growing rapidly.

But no company can survive such turmoil indefinitely. Having survived one storm, Laser Precision will probably enter another unless the new chief executive, Sehnert, can get his act together quickly. Otherwise, he may start losing ground to those competitors that will see the same growth forecasts.

Is Sehnert up to the job? His record in running Kratos (liquidated in 1986) and ailing Wavetek (sold earlier this year) is not encouraging. Nor does he sound very sure of himself when he looks ahead and says: "It will be a major challenge for us to do as well as the company has done."

Indeed it will. ■

In this era of bank megamergers, hundreds of small banks remain happily independent and nicely profitable.

Think global, bank local

By Jason Zweig

THIS COUNTRY'S first bank failure was not a behemoth like the Bank of the United States, but the little Farmers Exchange Bank of Glocester, R.I., which went kaput in 1809 after lending $800,000 on $45 in capital.

So it was that for many Americans big meant safety in banking and small meant risky. No longer. With mighty Citibank and Security Pacific humbled into suspending their dividends, it is clear that size is no longer any key to asset quality. In fact, some of the smallest banks are today some of the most secure.

Let's start by looking for bad assets. CPB Inc. is the Honolulu-based parent of Central Pacific Bank. There nonperforming loans have shrunk from $8.8 million in 1986 to just $3.9 million last year—even as total assets were mushrooming from $605 million to $1.04 billion.

In the annual report of Bellingham, Wash.-based Horizon Bank, all you'll find is this: "The Bank had only one nonperforming loan of $66,235 as of Mar. 31, 1991." This on year-end 1990 assets of $331 million, making the ratio of nonperforming loans to total loans almost invisible. Rub your eyes all you want; it's not a typo.

Overpaid, out-of-touch management? At Bank of Granite in Granite Falls, N.C. (assets, $326 million), Chairman John Forlines earned all of $177,470 last year. The bank has had record earnings for 35 quarters in a row, but Forlines' office in the two-story headquarters overlooks the railroad tracks, and he trundles around town in a Buick.

Officers and directors who won't buy their own stock? At National Commerce Bancorporation of Memphis, Tenn. (assets, nearly $2 billion), insiders own 26% of the shares. No wonder return on equity hit 18.7% last year.

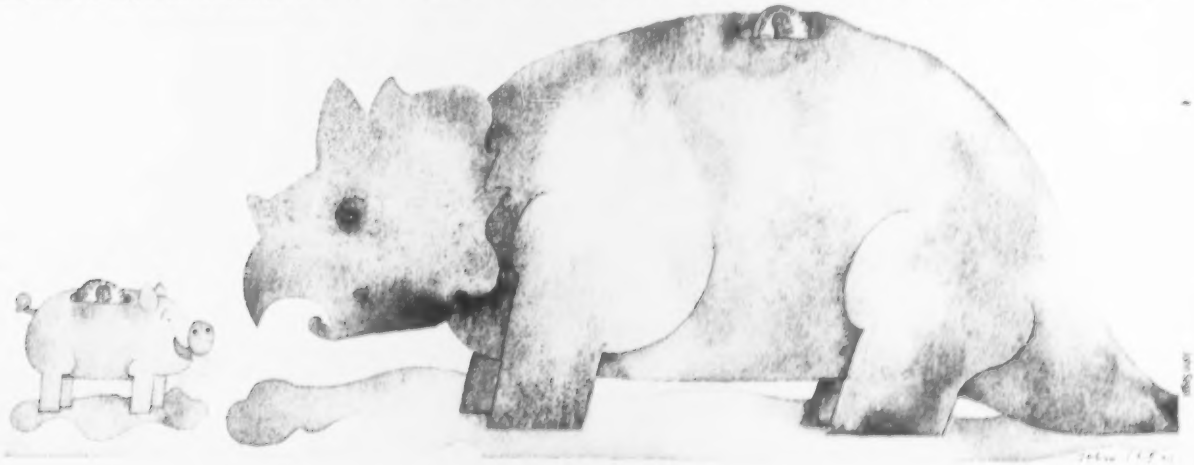
Grandiose ambitions? You'll have to settle for the stated mission of First Merchants Corp. in Muncie, Ind.: "to be the financial services provider of choice in east central Indiana."

These community banks and small regional banks may not know a yen-bond barbell swap from a hole in the ground, but they do know how to lend out money and bring it back in when it's due. Take Bank of Granite, which has nine offices in western North Carolina. Says Chairman John Forlines: "Service is an absolute obsession with us."

So is knowledge of its communities. Bank of Granite has local boards of directors in each of the six communities where it has branch offices. Among its directors are accountants, stockbrokers, furniture and pharmaceutical executives, dentists, teachers and truckers. The local directors are "our eyes and ears," says Forlines. They complement the fieldwork of the branch managers and lending officers. They know who needs money; they know who can pay it back.

Service is also an obsession at First Merchants Corp. Last year First Merchants hired four market researchers to masquerade as customers for a month, opening accounts, telephoning branches, critiquing every service and employee they encountered. "We weren't quite as good with our customers as we thought we were," says President Stefan Anderson.

So First Merchants urged employees to be more vigilant and creative with customers. When a teller recently noticed that an elderly woman seemed "unsure of herself" while making a withdrawal, she took the woman aside for a chat, only to find that the customer was the victim of a telemarketing scam. The teller contacted the police. "She saved our



Own a piece of the pebble

Bank/location	Return on equity 5-year average	Return on equity latest 12 mos	Non-performing assets[1]	Return on average assets[2]	5-year EPS growth rate	Latest 12 mos sales ($mil)	Latest 12 mos profits ($mil)	Recent stock price	Market value ($mil)	Latest 12 mos P/E
Bank of Granite/Granite Falls, NC	18.2%	17.9%	0.83%	2.08%	13%	$33	$6.7	21	$77	11.6
CPB/Honolulu, HI	14.3	15.4	0.25	1.21	20	98	12.2	21	107	8.8
First Merchants/Muncie, IN	11.2	12.3	0.80	1.20	10	52	6.3	28	58	9.2
Firstbank of Illinois/Springfield, IL	11.4	13.3	1.25	1.13	19	117	13.0	28	160	11.9
Horizon Bank/Bellingham, WA	9.8	10.4	0.00	1.57	13	34	5.1	15	58	11.4
National Commerce Bancorp/Memphis, TN	17.6	19.2	0.50	1.41	15	216	28.3	31	316	11.4
Omni Capital Group/Salisbury, NC	9.8	10.2	0.63	1.02	12	57	5.6	18	45	8.0
Onbancorp/Syracuse, NY	9.6	13.8	0.65	0.86	38	183	17.7	19	147	8.3
One Valley Bancorp/Charleston, WV	11.7	13.1	0.69	1.01	10	199	19.8	32	191	9.7
Workingmens Capital Holdings/Bloomington, IN	9.6	15.8	0.14	1.06	20	15	1.7	15	13	7.9

Stock prices as of Oct. 11. [1]As a percentage of total assets, last quarter; includes loans 90 days past due and still accruing. [2]Last four quarters.
Sources: William O'Neil & Co.; SNL Securities.

These small to midsize banks and thrifts have returns on equity that a lot of industrial companies would envy, earnings growth that many technology companies would wish for, and balance sheets that most big banks would die for.

customer $10,000," says Anderson proudly.

Slick marketing helps, too. Bank of Granite offers accounts for older people that provide perks including discount vouchers at local opticians, free notary service and assistance with medical claims. "The people over 55," slyly says the 73-year-old Forlines, "they're the ones who have the money."

National Commerce Bancorporation takes marketing literally. One of its subsidiaries, Nashville Bank of Commerce, has about $150 million in deposits at 14 branches- all inside Kroger supermarkets. "We didn't have to worry about a competitor opening up a branch across the aisle," jokes Chairman Bruce Campbell—and the supermarket banks are open evenings and Saturdays. At National Commerce's Memphis branches last year, customers got a $5 credit and an apology from the bank's president if they had to wait more than 5 minutes in line for a teller. (By year-end the bank had shelled out $120.)

With their prudent lending and imaginative marketing, you might think the small banks would be hot stocks. Not really. According to SNL Securities of Charlottesville, Va., shares of banks with less than $1 billion in assets rose just 17.6% this year through Oct. 15. Meanwhile, the stocks of the nation's largest banks—each with more than $10 billion in assets—rose 54.6%. Yet the average big bank has 2.92% of its assets in nonperforming loans, while smaller banks average just 1.42%. (The average for the ten banks on our list above: 0.57%.) "The smaller banks tend to be undervalued compared with the larger ones, because there are so many of them and so few analysts who follow them," says James Marks of SNL Securities.

This is not to say that small banks are risk-free. They are not. Just as many big banks lent too much to real estate developers, leveraged buyouts or Third World countries, many small banks are highly concentrated in real estate or small business lending. Since they are not geographically diversified, small banks can take a pounding if the local economy falters. Independent Bank Corp. of Rockland, Mass., for example, returned 17.25% on its average equity in 1988. But it crumbled with the rest of Massachusetts. Over the last 12 months its return on equity plunged to −48.25%, and since June its Rockland Trust Co. unit has been operating under a consent decree with the Federal Deposit Insurance Co.

As for investing in the stocks, liquidity can be a problem. Most small banks trade thinly over-the-counter, so even an individual investor can knock the stock around. And they are not exactly dying to be in the limelight. George Gust, chairman of Horizon Bank, politely declined an interview with FORBES: "We'd just as soon pass it by. One reason we're so healthy is we've stayed out of the newspapers and magazines. Thank you for your interest, though."

Despite such modesty and the problem of thin stocks, smaller banks are attracting institutional investors. Take Workingmens Capital Holdings, Inc., parent of Workingmens Federal Savings Bank of Bloomington, Ind. An investment group led by First Manhattan Co. holds 7%, and Wellington Management Co. holds 10%. Honolulu's CPB is 14% owned by Sumitomo Bank, 6% by the State of Wisconsin Investment Board. National Commerce Bancorporation is 5% owned by one of the few big banks that can rival it in profitability, J.P. Morgan & Co.

Not all the nation's 9,000 or so under-$1-billion banks are this affluent, but thousands are nicely profitable and happily independent. In this era of big mergers and ever-bigger banks, don't write off the hometown bank.

Just how much do they earn, these dreamers and drivers who are running America's leading small companies?

Meet the bosses of the 200 Best

By Steve Kichen

WHAT'S THE PROFILE of the typical chief executive on our 200 Best Small Companies list? Male, 53 years old, has been with the company 12 years and running it for 8 years.

Of the 200 chief executives, 85% have a college degree; 42% have at least one graduate degree. Harvard graduated more small-company executives—8—than any other school, with Dartmouth and the University of Wisconsin next.

Technical backgrounds, including experience in engineering and medicine, showed up on the résumés of 57 chief executives. Looking down the list, administration, finance and marketing skills, not surprisingly, helped a lot of executives find their way to the corner office.

Founders or cofounders run half these companies. So they tend to have respectable equity stakes. The median executive owns 5.6% of his company's shares, worth $7.5 million.

In the last fiscal year the median executive in this survey received a salary and bonus totaling just $276,200, while fringe benefits such as company contributions to a 401k plan, insurance and an automobile allowance added $11,600. Stock options kicked in another $151,000.

But around this median, the figures were all over the place. Measured by revenues, American List, with revenues of $9 million, was the smallest company in this year's survey, but its boss and founder, Martin Lerner, paid himself $821,000—9 cents on the revenue dollar.

By contrast, Stryker, a manufacturer of hospital supplies and surgical instruments, had 12-month revenues of $342 million and has a current market value of $1.3 billion; yet John W. Brown, Stryker's head, had total compensation of just $462,000.

Who made the most overall? Duane C. Montopoli, the chief executive of Chemical Fabrics, a New Hampshire-based manufacturer of specialty fabrics and flexible composite materials for use in extreme environments. Montopoli made $2.3 million last year, $2.1 million of which came from the exercise of stock options.

Indeed, the chief executives who made the most last year were those who exercised stock options.

The rebound in the stock market brought several of these companies into the public markets last year. Danek Group, Haemonetics, Koll Management Services and LXE all had initial public offerings in 1991. Executives commonly sell some of their shares in a new offering, but we didn't count that money as compensation; these people were simply cashing in some chips.

Best small-company bosses: highest paid . . .

Chief executive/company	Compensation (000)				Stock owned		Latest 12 mos ($mil)		Return on equity 5-yr avg
	salary + bonus	other	stock gains	total	%	mkt val* (000)	sales	profits	
Duane C Montopoli/Chemical Fabrics[1]	$205.3	—	$2,144.3	$2,349.6	0.06%	$59	$51	$5.8	17.0%
Ronald J Friedsam/Structural Dynamics Res	805.6	$4.0	1,239.0	2,048.6	0.05	276	140	16.4	16.1
Ron Pickard/Danek Group	—[2]	—	1,635.8	1,635.8	3.30	9,460	32	4.2	35.7
John G Rangos Sr/Chambers Development	1,548.0	2.0	—	1,550.0	27.65	524,354	281	39.0	15.8
Joel C Gordon/Surgical Care Affiliates	457.4	—	1,081.1	1,538.5	6.32	77,177	146	15.5	15.9
Albert L Nichols/Nichols Institute	457.0	—	1,042.7	1,499.7	19.42	33,523	200	7.5	10.4
Roe H Hatlen/Buffets	176.2	—	1,270.4	1,446.6	6.16	19,402	171	9.0	19.2
John F Gifford/Maxim Integrated Prods	400.0	—	922.5	1,322.5	2.22	5,031	74	10.1	16.1
S Robert Levine/Cabletron Systems	1,091.4	—	—	1,091.4	29.28	375,415	233	46.4	44.1
Edward H Arnold/Arnold Industries	1,020.2	—	—	1,020.2	28.94	120,973	163	22.6	21.7

*Includes all share classes. [1]Shareholders vote Oct. 31 on name change to ChemFab Corp. [2]Became chief executive 4/1/91. Salary data not available.

Compensation by school . . .

Undergraduate college	Median salary + bonus (000)
Brown	$383.5
Northeastern	371.2
Notre Dame	359.7
Wisconsin	342.5
Northwestern	314.0
Ohio State	295.1
Princeton	291.0
Harvard	288.2
Illinois	268.2
Auburn	244.4

Harvard had more small-company CEOs, but a Brown degree is more valuable.

. . . background . . .

Chief executive's background	Median salary + bonus (000)
Legal	$450.0
Retailing	432.8
Insurance	421.8
Marketing	340.9
Financial	316.4
Sales	307.5
Production	268.1
Technical	255.5
Operations	217.0
Administration	211.5

CEOs with law degrees make the most, but the surest way to the top is with a technical background.

. . . and industry

Industry	Median salary + bonus (000)
Restaurants	$437.7
Insurance	404.9
Food products	375.0
Pharmaceuticals	343.0
Software	343.0
Health care services	301.2
Computer equipment	300.9
Trucking	300.0
Telecommunications equip	298.0
Financial services	281.5

Run a restaurant chain, not an insurance company.

. . . lowest paid

Chief executive/company	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val* (000)	Latest 12 mos sales ($mil)	profits ($mil)	Return on equity 5-yr avg
Ben R Cohen/Ben & Jerry's Homemade	$83.4	$1.7	—	$85.1	22.30%	$18,650	$83	$2.9	14.9%
Donald Jonas/Lechters	60.0	34.0	—	94.0	35.21	112,755	205	10.4	19.0
Kathryn C Hach/Hach	88.8	9.6	—	98.4	41.14	69,661	76	6.5	13.9
Herman Jacobs/Allou Health & Beauty Care	103.0	—	—	103.0	11.39	1,948	96	1.1	16.3
James M Usdan/RehabCare	103.4	—	—	103.4	0.03[3]	18	42	2.9	26.0
Hsing (Morries) Y Liu/Liuski Intl	112.0	—	—	112.0	58.25	12,117	130	1.5	32.4
Patrizio Vinciarelli/Vicor	109.7	8.7	—	118.4	52.87	294,994	46	7.8	23.7
Robert A Kierlin/Fastenal	120.0	—	—	120.0	19.52	42,119	59	6.6	24.4
William Dean Wallace/Utah Medical Products	123.0	—	—	123.0	4.76	6,046	29	5.1	29.4
Richard W Krajicek/Serv-Tech	141.5	1.3	—	142.8	17.98	15,003	65	4.0	27.8

[3]Shares owned indirectly through Comprehensive Care, which owns 47.9% of the company.

It doesn't matter what a company does, as long as it can do it better than anyone else.

The best small company honor roll

By Steve Kichen

IN SOME WAYS the companies below have nothing in common. But in another important way they're very much alike: They're all highly successful niche players.

To make this year's honor roll, a company must have been on the Best Small Companies list at least four times in the last five years. FORBES required an average annual return on equity of at least 17% for the last five years and the latest 12 months. And latest 12-month earnings had to be up at least 5%.

We live in a diverse economy. Fastenal is in the mundane business of retailing screws, bolts, cutting tools and other building supplies. Little Tootsie Roll Industries thrives in the shadow of giant Mars ($9 billion, revenues) and Nestlé ($36 billion) by avoiding head-to-head competition in sheet chocolate products, focusing instead on chewy rolled chocolate derivatives and hard candy. "You produce in volume in your niche," says Melvin Gordon, Tootsie Roll's chairman and chief executive.

Both Fastenal and Tootsie Roll are appropriate reminders that a company doesn't have to be a dynamic start-up on the leading edge of biotechnology or supercomputers in order to be successful. Chicago-based Tootsie Roll, for example, was founded in 1896 by an Austrian immigrant who brought a formula for chewy rolled candy to the U.S.

Yet medical-product and software firms show up, too. Biomet, which has been on the honor roll three years in a row, is one of the top firms in the growing field of reconstructive joint and bone implants. Group 1 Software offers computer programs for managing large mailing lists.

The ability of these companies to exploit a niche hasn't gone unnoticed on Wall Street. A $10,000 investment made October 1986 in each of the 15 stocks below is now worth $598,000. That's an annual compounded gain of 30%, versus 10% for the S&P 500. ■

Great companies, great stocks

Company	Years on list[1]	Return on equity 5-year average	Return on equity latest 12 months	5-year growth sales	5-year growth EPS	Recent price	Value of $10,000 invested[2]	Chief executive
Biomet	6	21.4%	24.5%	227%	47%	38	$113,250	Dane A Miller
Boston Acoustics	5	22.3	22.4	30	26	20	41,316[3]	Francis L Reed
Diagnostic Prods	7	20.4	21.1	84	26	43	38,202	Sigi Ziering
Fastenal	4	24.4	27.7	59	45	23	40,147[3]	Robert A Kierlin
Franklin Resources	8	38.9	32.5	307	24	37	94,935	Charles B Johnson
Frontier Insurance Group	5	22.9	24.8	89	35	24	40,986	Walter A Rhulen
Group 1 Software	5	26.3	30.6	28	30	23	24,457[3]	Robert S Bowen
Heartland Express	5	25.5	25.9	69	26	36	35,750[3]	Russell A Gerdin
Intl Dairy Queen	5	33.1	33.1	285	23	16	21,818	Michael P Sullivan
Intertrans	7	17.9	21.3	147	23	22	21,639	Sam N Wilson
McGrath RentCorp	4	20.3	24.7	56	29	14	26,512	Robert P McGrath
Medicine Shoppe Intl	4	18.4	21.2	35	25	24	12,391	David A Abrahamson
Modern Controls	4	22.1	24.9	13	29	14	38,864	William N Mayer
Tootsie Roll Industries	6	18.2	18.4	198	17	58	31,209	Melvin J Gordon
Total System Services	4	22.6	27.7	107	24	28	16,667	Richard W Ussery
Total							$598,142	

[1]Since 1980. [2]On Oct. 10, 1986. [3]Company not public on Oct. 10, 1986. Hypothetical investment started Oct. 9, 1987.

Excluding dividends, a 1986 investment of $150,000 in this group of stocks would have grown to $598,000. Invested in the S&P 500, it would be worth $243,000 today.

The 200 Best Small Companies: overachievers in life and, sometimes, on Wall Street.

Reunion of the class of 1990

By Gilbert Steedley

INVESTORS WILL PAY a premium for good concepts, good management and solid growth.

For proof of this, look no further than last year's survey of the 200 Best Small Companies in America. As a group, they gained 75% in the last 12 months—easily outperforming the S&P 500 (up 24%) and the Nasdaq (up 58%). Small growth companies, of course, have been hot for much of the past year, but the Russell 2000 (an index of companies with market values between $15 million and $350 million) rose only 47%.

The star stock performer since last year is HealthCare Compare, up more than sixfold. The Chicago-based outfit, which helps corporations control their health care costs, is ranked 148 on this year's list. "Profit margins [at HealthCare Compare] have been rising faster than sales growth," says George Zagoudis, director of research at Barrington Research Associates, of the company's performance, "and that has investors paying a hefty premium."

Ben & Jerry's, the politically correct maker of artery-clogging ice cream—and low-fat frozen yogurts—has not only added ten new flavors during the last 52 weeks but also rewarded its investors with a 172% increase in stock price. The Waterbury, Vt. firm is one of 51 companies from last year's 200 Best list whose share price has at least doubled.

Absent from this year's list is FlightSafety International. This provider of aviation and maritime training simulators broke its streak of 11 consecutive appearances. Why? It failed to pass our test requiring earnings for the latest quarter to be higher than results from the year-ago quarter. During the past year FlightSafety stock fell 3%.

Only 88 outfits returned to this year's list. Integrated Systems, JLG Industries, Boole & Babbage and Southern Mineral were disqualified because they lost money over the last 12 months. Brinker International (formerly Chili's), Arbor Drugs and Watts Industries outgrew our sales cutoff of $350 million. And WeighTronix, a manufacturer of electronic scales, was acquired.

With the average small-capitalization stock holding a 34% gain since the start of the year and the equity markets at high multiples of earnings, a little caution is probably in order before you buy stock in any of this year's crop of standout small companies. But for serious long-term investors willing to do some homework and looking for investment ideas, the list that begins on page 268 is a great source of leads. ■

1990's winners

Company	Recent price	% change '90 to '91
HealthCare Compare	31¼	533%
Vicor	28	387
Group 1 Software	22½	329
Digi International	24	300
Vencor	31¾	297
Duty Free Intl	36¼	295
Value Merchants	33¼	280
Cisco Systems	40⅝	274
Medstat Systems	33¾	265
Concord Computing	26¾	257
Electronic Arts	27⅝	256
T2 Medical	29¾	245
Good Guys	25¾	240
Ballard Medical Products	37⅝	232
Lechters	38½	228
TriCare	17½	211
Cerner	21¾	211
Linear Technology	27⅜	196
Biomet	37¾	190
Solectron	25¼	189
BMC Software	53	185
MS Carriers	27¼	183
Structural Dynamics Research	23	175
Sullivan Dental Prods	27	174
Ben & Jerry's Homemade	32	172

1990's losers

Company	Recent price	% change '90 to '91
GZA GeoEnvironmental Tech	3⅜	-40%
Southern Mineral	3¼	-26
Gish Biomedical	8⅛	-24
Greenery Rehabilitation Group	5⅜	-20
Harding Associates	13	-20
Digital Microwave	9½	-19
Total System Services	27½	-19
UniCare Financial	10⅜	-13
SunGard Data Systems	14	-13
Mentor	11¾	-12
Digital Systems	9¾	-11
Nichols Institute	11¾	-11
Melamine Chemicals	7½	-10
Boole & Babbage	10	-9
Analysis & Technology	9	-8
JLG Industries	12	-6
Williams-Sonoma	14¼	-5
Caere	16¼	-4
Allwaste	5⅞	-4
FlightSafety Intl	39½	-3
Dycom Inds	8½	-3
Western Waste Inds	15½	-2
Luby's Cafeterias	16⅝	-1
Utilx	6⅜	0
BHA Group	13½	0

How we define best

Both growth investors like John Templeton and value players like Warren Buffett could probably find some interesting stocks below. While the 200 Best Small Companies in America must show consistent increases in sales, earnings and return on equity during the past five years, we also apply value criteria, including a requirement that long-term debt not exceed total stockholders' equity.

How did we pick the 200? We began with all publicly traded U.S.-based corporations with sales between $5 million and $350 million. Firms with declining sales and/or earnings were automatically screened out, as were stocks priced under $5. To ensure reasonable liquidity, we eliminated stocks with fewer than 1 million shares outstanding or average daily trading volume of under 1,000 shares. We also dropped limited partnerships, real estate investment trusts and banks. Raw data come from Los Angeles-based William O'Neil & Co., 1991 earnings estimates from the Institutional Brokers Estimate System.

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 mos	5-year EPS growth rate	Latest 12 mos sales ($mil)	Latest 12 mos profits ($mil)	Debt/ equity	Quick ratio[1]	Recent stock price	Market value[2] ($mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1991 EPS
1	■	**Cambex** computer equip & software	100.0%*	86.4%	80%	$36	$5.3	1%	1.56	18	$62	$1.23	14.6	$1.31
2	■	**Koll Management Svcs** real estate management	87.4	127.2	31	24	2.4	0	NA	13	42	0.89	14.3	NA
3	■	**Sierra Tucson Cos** substance abuse rehab cntrs	70.1	28.9	93	37	7.7	31	NA	28	225	1.08	25.6	1.26
4	■	**Matrix Services** oil refining maint	44.7	12.6	93	98	6.5	6	3.85	26	240	0.79	32.6	0.95
5	2	**Cabletron Systems** computer network equip & svcs	44.1	33.1	149	233	46.4	0	7.03	46	1,282	1.70	27.1	1.96
6	7	**Adobe Systems** computer software	44.0	46.8	69	220	50.5	0	2.84	49	1,043	2.23	22.0	2.29
7	■	**State Of The Art** PC accounting software	43.6	42.5	69	17	3.3	5	3.13	9	85	0.40	23.1	0.54
8	■	**Advanced Logic Research** PCs	43.2	24.1	116	213	13.1	22	1.78	12	135	1.28	9.5	1.40
9	6	**Landauer** radiation monitoring svcs	40.5	41.4	18	27	7.3	0	1.78	32	133	1.71	18.4	1.75
10	■	**Tseng Labs** graphics cards for PCs	39.6	48.7	97	54	8.8	0	3.92	9	156	0.47	18.1	0.56
11	3	**BMC Software** computer software	39.1	29.3	59	143	29.4	0	NA	53	1,339	1.16	45.7	1.70
12	12	**Lindsay Manufacturing** electrical irrigation sys	39.0	37.0	88	99	8.9	0	1.30	25	115	1.91	13.0	1.89
13	4	**Franklin Resources** fund management	38.9	32.5	24	307	93.8	1	NA	37	1,447	2.39	15.5	2.48
14	13	**American Power Conversion** uninterruptible power sup equip	38.2	44.9	80	72	11.5	12	1.79	31	326	1.04	29.6	1.17
15	5	**Digi Intl** data comm equip & software	37.9	35.8	107	36	7.3	0	16.40	24	191	0.88	27.3	0.94
16	139	**Nellcor** patient-monitoring instruments	36.1	80.5	11	159	17.2	0	3.16	22	333	1.11	19.6	1.52[3]

Stock prices as of Oct. 11. ■ Not on last year's list. *Figure greater than 100%. NA: Not available or not applicable. [1]Current assets less inventories divided by current liabilities. [2]Includes all share classes. [3]1992 estimate.

Sources: William O'Neil & Co.; Institutional Brokers Estimate System, a service of IBES, via Lotus One Source.

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 mos	5-year EPS growth rate	Latest 12 mos sales ($mil)	Latest 12 mos profits ($mil)	Debt/ equity	Quick ratio[1]	Recent stock price	Market value[2] ($mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1991 EPS
17	■	**Danek Group** spinal implant devices	35.7%	59.6%	124%	$32	$4.2	7%	1.26	34	$287	$0.54	62.5	$0.71
18	■	**Jean Philippe Fragrances** mkts clones of designer frag	35.6	28.3	22	10	1.0	0	2.39	6	19	0.32	19.2	NA
19	15	**Cisco Systems** computer network equip	33.8	62.4	243	183	43.2	0	5.63	41	1,131	1.38	29.4	2.34[3]
20	■	**Handex Environ Recovery** oil tank pollution cntrl svcs	33.4	19.2	59	44	6.6	10	5.65	33	227	0.96	34.6	1.07
21	■	**Pharmacy Management Svcs** health cost containment svcs	33.3	8.4	50	73	2.4	0	5.26	8	72	0.28	29.5	0.31
22	11	**Intl Dairy Queen** fast-food restaurants	33.1	33.1	23	285	27.6	50	1.70	16	422	1.04	15.4	1.08
23	9	**Sullivan Dental Prods** dental supplies & equip	32.6	18.0	69	59	2.8	0	2.16	27	143	0.52	51.9	0.60
24	■	**Liuski Intl** distrib, mfg PC equip	32.4	39.2	43	130	1.5	69	0.54	7	21	0.72	9.0	NA
25	■	**Neutrogena** specialty soaps	30.5	21.8	15	226	19.7	0	1.71	24	626	0.74	32.1	0.80
26	57	**Utah Medical Products** critical care medical prods	29.4	44.5	83	29	5.1	0	2.28	17	127	0.65	26.0	0.69
27	37	**Ballard Med Prods** disposable medical prods	28.6	40.0	71	36	8.2	0	4.26	38	468	0.64	58.8	0.70
28	■	**Pentech Intl** writing instruments	28.2	33.6	63	33	4.3	0	1.90	9	101	0.36	25.4	0.38
29	■	**Spartan Motors** specialized heavy duty trucks	28.2	45.1	38	65	3.9	28	0.69	20	158	0.55	35.9	0.70
30	■	**Capitol Transamerica** insurance	28.1	26.6	46	33	9.1	0	NA	21	85	2.16	9.7	2.31
31	■	**Penril Datacomm Networks** test & data comm equip	28.0	50.1	31	53	6.9	42	1.87	8	40	1.01	8.2	0.05[3]
32	■	**Serv-Tech** maintains oil & chem plants	27.8	17.5	64	65	4.0	1	NA	15	83	0.89	16.4	1.04
33	■	**Rainbow Technologies** computer security prods	27.6	35.6	71	16	2.4	0	11.09	15	74	0.60	25.6	0.75
34	52	**Concord Computing** transactional equip & svcs	27.1	38.2	88	45	7.0	2	1.70	27	276	0.64	41.8	0.67
35	20	**Kaydon** bearings, filtration prods	26.8	22.9	24	163	26.0	20	1.50	41	356	3.07	13.4	3.07
36	31	**CSS Industries** paper prods, containers	26.5	24.1	59	165	18.5	15	2.97	31	164	3.33	9.4	3.37
37	24	**Group 1 Software** marketing & mailing software	26.3	30.6	30	28	3.9	3	NA	23	94	0.93	24.2	NA
38	16	**American List** student mailing lists	26.2	35.7	22	9	3.2	0	NA	19	53	1.17	16.5	NA
39	■	**Plains Petroleum** oil & gas expl, develop & prod	26.0	25.4	42	56	18.6	4	1.59	34	331	1.93	17.6	1.95

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40	■	**RehabCare** devel & manages rehab clinics	26.0%	49.6%	55%	$42	$2.9	0%	NA	12	$55	$0.69	16.7	$0.77
41	■	**Vital Signs** anesthesia & respiratory prods	25.9	24.6	41	45	7.0	27	6.67	18	200	0.67	26.9	0.72
42	34	**Autodesk** CAD software	25.5	27.9	43	267	60.8	0	4.04	47	1,161	2.44	19.4	2.67
43	23	**Heartland Express** trucking	25.5	25.9	26	69	8.2	0	NA	36	179	1.64	21.8	1.74
44	117	**BGS Systems** computer software	25.4	41.4	98	23	5.5	0	NA	34	110	1.74	19.7	1.87
45	50	**St Jude Medical** mechanical heart valves	25.0	28.8	49	191	73.3	0	9.38	50	2,331	1.53	32.4	1.77
46	43	**Acuson** ultrasound medical instruments	24.6	26.6	53	310	53.2	0	3.62	34	1,183	1.46	23.0	1.59
47	26	**Home Nutritional Svcs** home-based intravenous therapy	24.5	18.9	43	90	10.0	2	7.42	22	254	0.85	25.6	0.95
48	41	**Fastenal** retails fasteners	24.4	27.7	45	59	6.6	3	3.44	23	216	0.68	33.5	0.76
49	■	**ConferTech International** teleconferencing equip & svcs	24.3	35.5	58	18	1.3	68	1.86	5	26	0.32	15.6	0.21
50	■	**Aldus** computer software	23.9	24.2	60	161	28.0	0	5.04	38	541	1.86	20.3	1.95
51	■	**Allstate Financial** financial services	23.8	21.6	40	10	2.1	13	NA	13	26	1.05	12.1	1.18
52	126	**Vicor** electric power systems	23.7	47.4	68	46	7.8	13	1.14	28	558	0.41	68.3	0.53
53	■	**SEI** info svcs for money managers	23.5	25.0	11	178	13.3	0	1.49	27	285	1.16	22.8	1.30
54	■	**Lawter Intl** printing inks & resins	23.4	23.7	14	150	24.9	5	3.32	15	483	0.77	19.3	0.82
55	■	**OI** precision instruments	23.4	31.7	72	17	1.6	9	1.61	10	34	0.45	22.8	0.48
56	■	**Nature's Sunshine Prods** nutritional & personal care prods	23.2	25.3	48	65	4.2	0	1.93	16	86	0.74	20.9	NA
57	46	**Frontier Insurance Group** specialty prop & casualty ins	22.9	24.8	35	89	12.3	0	NA	24	150	2.48	9.8	2.54
58	■	**Haemonetics** blood reinfusion equip	22.7	21.6	32	163	14.6	21	1.16	26	364	1.05	24.9	1.18
59	53	**Total System Services** bank card data processing svcs	22.6	27.7	24	107	14.1	0	2.88	28	437	0.89	30.9	0.92
60	51	**Boston Acoustics** audio speaker systems	22.3	22.4	26	30	4.3	0	6.38	20	82	1.04	18.9	1.21
61	68	**Bridgford Foods** frozen & snack food prods	22.2	32.1	44	92	4.3	0	1.36	22	138	0.70	31.4	0.72
62	35	**Respironics** respiratory medical prods	22.2	36.4	26	36	3.8	34	1.36	25	97	1.03	24.0	1.50[3]

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63	65	**Modern Controls** test instruments	22.1%	24.9%	29%	$13	$2.7	0%	6.63	14	$67	$0.54	26.4	$0.60
64	40	**Sealright** food & dairy packaging	22.0	20.5	20	234	15.8	57	1.02	24	265	1.43	16.8	1.49
65	■	**Arnold Industries** trucking	21.7	22.5	21	163	22.6	2	NA	32	418	1.73	18.5	1.79
66	27	**Goal Systems** data center management	21.6	20.6	20	125	14.4	13	NA	13	241	0.74	17.2	0.89
67	■	**Tetra Technologies** waste recyc & treatment svcs	21.5	16.7	67	71	7.6	15	3.48	15	185	0.66	22.7	0.69
68	74	**Biomet** medical implant devices	21.4	24.5	47	227	42.4	0	3.30	38	2,121	0.76	49.7	0.91
69	67	**Electronic Arts** computer games	21.4	21.9	35	109	9.6	0	2.52	28	264	0.95	29.1	1.17
70	63	**Keane** computer svcs & systems	21.4	19.8	78	94	5.9	0	NA	19	90	1.22	15.7	1.31
71	■	**Kentucky Medical Ins** medical liability insurance	21.3	26.0	43	20	4.3	0	NA	11	20	2.39	4.4	1.91
72	■	**Datafiex** retails PCs	21.0	24.1	50	94	4.7	0	1.43	16	56	1.36	11.6	1.44
73	■	**MedChem Prods** medical prods	20.9	28.1	19	18	5.2	51	1.58	18	116	1.01	17.6	0.94
74	■	**Cognex** machine vision equip	20.6	33.5	105	27	8.0	0	6.24	60	250	1.82	33.1	2.09
75	71	**Diagnostic Prods** medical diagnostic kits	20.4	21.1	26	84	18.4	0	2.82	43	518	1.43	29.7	1.62
76	92	**CPAC** photo chems & silver recovery	20.3	21.2	41	29	1.7	29	1.29	9	21	0.74	12.2	NA
77	84	**McGrath RentCorp** sells & leases modular offices	20.3	24.7	29	56	10.2	0	NA	14	119	1.32	10.8	1.35
78	72	**Intl Recovery** plane refueling, waste recov	20.0	19.2	72	229	5.0	32	2.07	18	84	1.06	17.1	1.30
79	■	**AirTran** commuter airline	19.8	29.1	35	93	4.8	58	0.85	12	46	1.23	10.0	1.23
80	■	**Paychex** payroll accounting svcs	19.8	18.6	16	142	10.2	4	NA	28	366	0.78	35.9	0.97
81	8	**T2 Medical** home care infusion therapy	19.6	18.6	47	111	23.7	9	6.34	30	925	0.79	37.7	0.94
82	99	**Sbarro** Italian restaurants	19.3	23.8	39	199	22.3	0	1.69	38	508	1.65	22.9	1.84
83	110	**Buffets** buffet restaurants	19.2	23.9	43	171	9.0	11	0.41	33	315	0.93	35.4	1.06
84	■	**LXE** transac processing comm equip	19.2	26.2	23	32	2.3	0	2.88	18	92	0.50	35.3	0.63
85	64	**Mestek** climate cntrl equip, env svcs	19.2	18.7	16	211	10.8	18	1.68	11	84	1.15	9.5	NA

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86	79	**Lechters** specialty retail	19.0%	15.4%	27%	$205	$10.4	22%	0.78	$39	$320	$1.44	26.7	$1.65
87	86	**Medstat Systems** software for health care ind	19.0	23.0	32	16	1.8	12	NA	34	89	0.62	54.4	0.66
88	137	**Solectron** printed circuit boards	19.0	25.6	40	265	9.2	35	1.02	25	167	1.40	18.0	1.34
89	104	**Gainsco** property & casualty insurance	18.8	22.8	29	51	7.7	0	NA	12	115	0.77	14.9	0.81
90	■	**Mail Boxes Etc** private postal & business svcs	18.6	14.4	24	32	4.1	0	5.71	25	144	0.74	34.1	0.97
91	■	**Seitel** mkts seismic data to oil cos	18.6	23.5	40	28	5.8	30	1.28	13	65	1.16	10.9	1.27
92	103	**Medicine Shoppe Intl** franchised pharmacies	18.4	21.2	25	35	10.0	0	NA	24	194	1.24	19.2	1.29
93	■	**Techne** clinical diagnostic equip	18.4	35.5	53	19	1.6	16	2.04	10	80	0.18	53.5	0.20[3]
94	102	**TriCare** health care eval svcs	18.4	19.6	48	40	2.7	1	NA	18	83	0.67	26.1	0.79
95	■	**X-Rite** quality control instruments	18.4	17.4	14	26	4.1	0	7.60	19	96	0.79	23.4	0.88
96	90	**Tootsie Roll Industries** candy	18.2	18.4	17	198	23.9	0	2.44	58	575	2.47	23.4	2.55
97	■	**Energy Ventures Inc** oilfield equip & svcs	18.1	41.3	128	172	31.6	10	1.15	16	193	3.08	5.2	0.79
98	■	**American Fructose** high fructose corn syrup	18.0	19.1	28	206	22.6	25	5.09	21	185	2.47	8.4	2.60
99	118	**Intertrans** intl freight forwarding	17.9	21.3	23	147	6.4	0	1.64	22	108	1.20	18.3	1.25
100	77	**Duty Free Intl** duty free retail stores	17.7	18.5	40	145	18.5	11	5.21	36	798	0.86	42.2	1.01
101	■	**Offshore Logistics** transport svcs for oilfield ind	17.7	25.6	57	95	17.0	37	2.06	8	140	0.97	8.2	1.26[3]
102	85	**Vencor** hospitals for chronically ill	17.3	21.7	65	104	6.6	42	2.62	32	396	0.59	53.8	0.73
103	■	**Chemical Fabrics**[4] specialized fabrics	17.0	27.4	73	51	5.8	12	1.45	20	96	1.13	17.5	1.26[3]
104	■	**Dreyer's Grand Ice Cream** ice cream	16.9	14.8	26	333	13.9	23	0.92	27	400	0.94	28.2	1.04
105	80	**Value Merchants** wholesales closeout toys	16.9	13.7	18	176	6.1	1	0.31	33	240	1.02	32.6	1.42
106	■	**Cannon Express** trucking	16.8	26.0	34	27	2.0	94	NA	18	29	1.20	14.8	1.46[3]
107	164	**Micro Healthsystems** software for health care ind	16.8	31.3	102	11	2.2	0	4.71	14	62	0.50	28.3	0.80
108	115	**Stryker** powered surgical instruments	16.8	19.5	23	342	28.8	1	2.00	27	1,283	0.62	43.5	0.64

Stock prices as of Oct. 11. ■ Not on last year's list. NA: Not available or not applicable. [1]Current assets less inventories divided by current liabilities.
[2]Includes all share classes. [3]1992 estimate. [4]Shareholders vote Oct. 31 on name change to ChemFab Corp.
Sources: William O'Neil & Co.; Institutional Brokers Estimate System, a service of IBES, via Lotus One Source.

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 mos	5-year EPS growth rate	Latest 12 mos sales ($mil)	Latest 12 mos profits ($mil)	Debt/ equity	Quick ratio[1]	Recent stock price	Market value[2] ($mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1991 EPS
109	■	**Insituform Mid-America** pipe, sewer & conduit repair	16.6%	33.6%	35%	$48	$5.1	3%	1.44	$12	$96	$0.68	17.6	$0.71
110	■	**Allou Health & Beauty Care** health & cosmetic prod distrib	16.3	12.2	25	96	1.1	1	0.50	7	17	0.43	15.4	0.75
111	■	**Altera** semiconductors	16.3	24.4	54	91	14.9	0	2.85	23	454	0.74	31.4	0.85
112	185	**Linear Technology** integrated circuits	16.2	18.9	55	94	17.0	7	3.92	27	457	0.96	28.5	1.43[3]
113	173	**Raven Industries** electron, plastics, sewn prods	16.2	18.2	22	90	4.8	18	1.12	18	55	1.53	11.7	1.70
114	■	**Dionex** chemical analysis equip	16.1	16.6	15	89	14.2	0	3.37	26	209	1.69	15.2	2.25[3]
115	157	**Maxim Integrated Prods** integrated circuits	16.1	26.9	87	74	10.1	13	0.97	18	227	0.74	24.5	1.19[3]
116	158	**Structural Dynamics Res** CAE software & svcs	16.1	24.0	46	140	16.4	4	NA	23	610	0.59	39.0	0.61
117	146	**Utilx** cable & pipe installer	16.1	20.4	30	49	5.5	9	3.12	6	43	0.74	8.6	0.75
118	153	**Raymond James Financial** securities brokerage	15.9	25.1	27	275	24.2	14	1.04	25	226	2.59	9.5	2.60
119	■	**Surgical Care Affiliates** outpatient surgical centers	15.9	29.4	108	146	15.5	70	2.46	36	1,222	0.43	NM	0.55
120	131	**American Management Sys** management & tech consulting	15.8	18.7	15	279	13.3	17	NA	22	216	1.16	18.5	1.18
121	133	**Chambers Development** waste mgmt, security svcs	15.8	17.7	43	281	39.0	85	2.77	28	1,896	0.71	39.8	0.84
122	108	**Nichols Research** technical svcs for defense	15.7	19.9	19	88	4.4	0	NA	9	51	0.90	10.3	0.90
123	■	**SPI Pharmaceuticals** pharmaceuticals	15.7	23.2	20	226	22.2	12	1.40	23	358	1.37	16.5	NA
124	■	**Alfa Corp** insurance	15.6	16.4	14	224	26.4	0	NA	11	219	1.28	8.4	1.22
125	■	**Geraghty & Miller** ground water resource mgmt	15.5	16.0	33	80	4.1	2	NA	17	97	0.71	23.9	0.82
126	■	**Tekelec** communications test equip	15.5	18.3	41	50	5.6	2	4.48	16	65	1.31	12.5	1.32
127	■	**Duriron** chemical process equip	15.3	17.4	59	298	21.6	22	1.62	21	257	1.72	11.9	1.74
128	194	**Frederick's of Hollywood** retail & mail order apparel	15.3	23.1	91	112	5.0	5	0.55	9	80	0.59	15.7	NA
129	121	**Werner Enterprises** trucking	15.2	14.5	16	316	18.1	27	NA	27	304	1.59	16.8	1.67
130	■	**ILC Technology** laser & fiber optics equip	15.0	39.4	38	38	4.0	0	1.55	14	59	0.88	15.9	0.95
131	150	**Ben & Jerry's Homemade** ice cream & franchise stores	14.9	21.9	24	83	2.9	70	0.77	32	84	1.13	28.3	1.22

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Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 mos	5-year EPS growth rate	Latest 12 mos sales ($mil)	Latest 12 mos profits ($mil)	Debt/ equity	Quick ratio[1]	Recent stock price	Market value[2] ($mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1991 EPS
132	■	**Emcon** waste mgmnt engnrg & consltng	14.8%	18.3%	42%	$63	$5.4	0%	NA	$19	$131	$0.80	24.1	$0.86
133	■	**Cabot Medical** female reprod health equip	14.7	20.9	24	38	2.4	8	1.50	12	86	0.32	37.5	0.39
134	■	**CR Gibson** gift & stationery prods	14.5	21.3	22	63	3.3	100	1.93	10	64	0.48	19.9	NA
135	140	**Spaghetti Warehouse** Italian restaurants	14.5	8.9	34	43	4.2	0	3.96	23	138	0.80	28.8	1.15[3]
136	152	**Hooper Holmes** health info & health care svcs	14.3	18.7	17	123	3.2	19	NA	15	65	1.04	14.7	1.08
137	■	**Moorco Intl** fluid meters and valves	14.3	18.0	52	176	12.8	4	0.79	18	215	1.24	14.3	1.32
138	143	**Geodynamics** defense & intell software	14.1	13.6	12	62	3.8	0	NA	12	33	1.36	8.8	1.50
139	190	**A&W Brands** soft drinks	14.0	18.7	79	118	13.0	32	0.75	28	254	1.43	19.4	1.57
140	■	**Gundle Environmental Sys** liners for hazard waste cntrl	14.0	14.5	68	134	6.5	83	2.12	17	184	0.68	25.6	0.81
141	■	**Rexon** computer equip	14.0	12.8	22	181	9.9	3	1.10	7	66	1.03	6.9	1.18
142	■	**Hach** water analysis equip & chems	13.9	16.1	32	76	6.5	2	1.78	28	169	1.07	26.2	NA
143	■	**American Precision Inds** industrial & electrical equip	13.7	14.1	45	51	3.9	16	2.95	7	51	0.57	12.3	0.50
144	183	**Cracker Barrel Old Ctry Str** restaurants & gift shops	13.7	22.9	39	300	22.9	16	0.25	33	772	1.00	32.5	1.47[3]
145	■	**Isco** precision instruments	13.6	14.8	15	37	4.1	0	5.43	15	72	0.87	17.5	1.22[3]
146	179	**Fiserv** computer services for banks	13.4	15.6	26	213	15.5	38	NA	34	499	1.17	29.1	1.27
147	■	**Artistic Greetings** mail order stationery	13.3	21.7	44	54	2.8	0	2.05	14	78	0.49	28.1	0.57
148	127	**HealthCare Compare** health ind finl & mgmt svcs	13.3	19.9	42	56	8.6	0	NA	31	732	0.33	NM	0.45
149	122	**EnClean** ind & environ cleaning svcs	13.2	15.2	40	100	4.3	39	1.42	16	83	0.80	19.7	1.22[3]
150	■	**P Leiner Nutritional Prods** vitamins & nutritional supls	13.1	13.8	12	136	5.7	18	1.01	13	70	1.08	12.3	1.25
151	184	**Forest Labs** pharmaceuticals	13.0	15.3	26	201	40.4	9	2.81	31	1,196	0.95	32.6	1.13
152	■	**Merchants Group** insurance	13.0	12.9	14	101	6.0	0	NA	13	26	2.75	4.7	2.57
153	■	**Sun Television & Appl** retails consumer electronics	13.0	18.1	24	226	4.5	89	0.65	13	82	0.86	14.7	0.85
154	180	**MBIA** municipal bond insurer	12.9	13.8	20	240	128.4	21	NA	40	1,528	3.32	12.0	3.64

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155	177	**Colonial Cos** insurance	12.7%	15.0%	14%	$337	$38.0	1%	0.21	$28	$423	$2.52	11.0	$2.43
156	■	**Frozen Food Express Inds** trucking perishable commods	12.7	13.5	20	174	4.0	64	1.66	13	55	0.90	14.2	1.07
157	■	**J&J Snack Foods** snack foods & beverages	12.7	10.0	13	107	5.1	12	0.97	13	138	0.60	21.7	0.68
158	■	**Diagnostek** pharmacy mail svc	12.6	15.7	98	250	8.8	66	2.06	23	434	0.44	51.4	0.74
159	123	**Thermo Instrument Sys** pollution detect equip	12.6	11.6	16	340	21.4	35	0.99	24	650	0.82	29.1	0.93
160	■	**Astro-Med** high speed printers	12.5	14.8	27	30	2.6	8	2.53	16	52	0.78	20.8	1.02
161	■	**Computer Data Sys** data processing svcs	12.4	15.2	14	133	3.5	48	NA	10	27	1.30	7.7	NA
162	■	**Mylex** PC motherboards & expan cards	12.4	37.3	35	56	4.3	12	0.91	5	58	0.36	14.3	0.40
163	186	**OEA** airbag propellants & equip	12.4	15.8	17	84	11.1	1	3.79	52	349	1.65	31.4	1.75
164	■	**AL Laboratories** pharm, animal health prods	12.2	13.5	19	283	15.0	91	0.91	18	305	0.90	20.0	0.91
165	■	**Tranzonic Cos** personal care & household prods	12.2	12.5	15	108	4.9	1	1.91	17	58	1.39	12.0	NA
166	■	**Laser Precision Corp** precision instruments	12.1	18.1	34	25	2.5	3	1.10	9	38	0.57	16.5	0.65
167	■	**Span America Medical Sys** foam pads for health care	12.1	16.2	35	29	1.5	25	1.86	5	18	0.44	12.2	NA
168	■	**Cypress Semiconductor** semiconductors	11.9	14.6	44	263	35.5	2	3.07	19	706	0.91	21.0	1.03
169	181	**Ecology and Environment** environ consulting & testing	11.9	17.2	19	87	5.3	3	NA	16	64	1.35	12.0	1.35
170	175	**Kent Electronics** distrib electronic prods	11.9	17.0	25	75	4.0	3	2.29	16	90	0.96	16.8	1.03
171	■	**Symix Systems** financial mgmt software	11.9	82.4	52	20	1.8	1	NA	15	37	0.73	20.5	0.97[3]
172	■	**Cohu** electronics	11.4	12.8	35	48	2.7	0	2.44	11	22	1.31	8.4	NA
173	■	**Psicor** heart surgery equip & svcs	11.4	14.5	13	66	2.7	19	1.56	14	58	0.65	21.9	0.70
174	191	**Vertex Communications** ground station satel antennas	11.4	14.5	17	42	2.3	6	1.57	8	25	0.68	11.2	0.70
175	■	**Empi** physical therapy equip	11.2	24.1	55	18	1.2	54	2.87	16	45	0.38	42.1	0.43
176	■	**Osmonics** filtration equip	11.2	15.9	61	46	3.9	56	1.56	19	113	0.65	29.0	0.69
177	■	**NAC Re** prop & casualty reinsurance	11.1	14.4	52	277	29.2	26	NA	23	347	1.84	12.2	1.89

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178	■	**Magma Power** geothermal energy	10.9%	16.7%	75%	$91	$32.2	50%	NA	$27	$610	$1.41	18.9	$1.56
179	■	**Research Inds** disposable cardiovascular prods	10.7	14.9	69	12	2.5	0	6.79	24	142	0.41	58.5	0.90[3]
180	■	**Kirby** barge trans, diesel repair, ins	10.6	15.3	45	186	14.8	70	0.86	16	345	0.67	23.7	0.75
181	192	**Nichols Institute** clinical testing svcs	10.4	9.8	54	200	7.5	44	2.30	12	173	0.50	23.5	0.61
182	■	**SCOR US** property & casualty reinsur	10.4	13.1	19	226	29.6	0	NA	15	273	1.65	9.2	1.72
183	■	**Michael Baker** engineering svcs	10.3	10.7	15	148	3.4	6	1.79	20	57	1.16	16.9	1.07
184	■	**Cordis** medical equip	10.2	27.8	87	199	19.3	45	1.34	40	542	1.38	28.6	2.07[3]
185	■	**State Auto Financial** auto & homeowner insurance	10.2	13.2	23	112	8.6	0	NA	15	88	2.15	7.0	1.71
186	■	**Trenwick Group** property & casualty reinsur	10.2	12.8	71	120	17.9	14	NA	26	165	2.68	9.5	2.72
187	■	**Allied Group** insurance	10.0	17.1	9	331	15.3	0	0.20	19	80	2.48	7.7	1.83
188	■	**Grist Mill** grain based cereals & snacks	9.9	9.9	51	61	1.9	59	1.31	6	28	0.41	15.6	0.62
189	■	**Kasler** industrial construction	9.8	24.9	32	187	5.0	56	1.40	9	90	0.56	16.1	0.56
190	■	**VeriFone** transaction automation sys	9.8	11.1	90	166	13.2	1	4.06	19	426	0.58	33.2	0.80
191	■	**Methode Electronics** electronic equip	9.5	13.3	12	151	8.3	1	1.64	11	122	0.74	14.5	0.86
192	■	**PDA Engineering** mechanical eng software	9.5	16.1	32	36	2.9	0	NA	10	42	0.62	16.5	0.74[3]
193	■	**Landmark Graphics** computerized oil explor equip	9.4	16.3	49	90	9.8	0	5.72	24	239	0.94	25.0	1.80[3]
194	■	**Comptek Research** defense hardware & software	9.3	11.8	18	55	1.6	0	2.43	12	23	0.79	14.6	0.81
195	■	**Micros Systems** transaction processing equip	9.2	20.8	135	40	3.3	13	1.87	7	51	0.44	15.9	NA
196	■	**California Microwave** commun & telecomm equip	9.0	11.9	52	177	8.0	3	1.33	22	186	0.93	23.7	1.12[3]
197	■	**Sensormatic Electronics** electronic surveillance equip	9.0	13.0	16	254	26.0	10	4.07	25	670	0.94	26.6	1.09
198	■	**Mid-American Waste Sys** solid waste disposal svcs	8.9	11.5	120	94	12.7	60	1.58	21	416	0.73	28.9	0.84
199	■	**Cosmetic Center** distributes cosmetics	8.7	13.1	12	84	1.8	4	0.13	10	32	0.58	17.7	NA
200	■	**Geonex** mapping & site analysis	8.0	14.5	49	63	2.0	89	0.99	10	41	0.56	17.4	0.55

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Little companies, big rewards

Being the boss of one of the 200 Best Small Companies in America doesn't necessarily mean that you get a small paycheck. The median executive on the list earned $314,200 in salary, bonus, stock option gains and fringe benefits (listed as "other" in our table). In contrast, the median compensation for a chief executive of a Forbes 500s company (FORBES, *May 27*) was $1,592,000. This year's rally in small-cap stocks certainly helped boost the small companies' compensation figures: It probably encouraged many of these chief executives to exercise stock options.

The stock gains column reflects only those options exercised by the chief executive during the latest fiscal year.

Share ownership is based on beneficial ownership, including shares owned by a spouse or minor children. Excluded are shares belonging to charities, foundations or people not in the immediate family.

Except where noted, compensation is for the company's most recent fiscal year.

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	Stock owned mkt val* (000)
M L Lowenkron **A&W Brands**	60	11	11			$513.0	—	—	$513.0	3.37%	$8,547
Samuel H Maslak **Acuson**	43	10	10	MIT MIT	BS PhD	600.0	—	—	600.0	5.45	64,549
John E Warnock **Adobe Systems**	51	9	9	Utah Utah	BS PhD	378.6	—	—	378.6	3.66	38,151
Gene Lu **Advanced Logic Research**	37	7	7	Cal State Polytech	BSEE	236.2	—	—	236.2	13.81	18,655
Robert D Swenson **AirTran**	37	13	13	Dartmouth	BA	211.5	—	—	211.5	5.25	2,388
Jeffrey E Smith **AL Laboratories**	44	7	—†	Fairleigh Dickinson	BS	274.6	—	—	274.6[1]	—[2]	—[2]
Paul Brainerd **Aldus**	43	7	7	Oregon Minnesota	BA MA	341.0	—	—	341.0	21.93	118,629
Goodwin L Myrick **Alfa Corp**	66	23	13			211.2	$0.4	—	211.6[3]	50.86	111,499
John E Evans **Allied Group**	64	41	27	U of Iowa	BSC	727.8	18.8	—	746.6	1.75	1,402
Herman Jacobs **Allou Health & Beauty Care**	33	6	6			103.0	—	—	103.0	11.39	1,948
Leon Fishman **Allstate Financial**	60	9	3			340.6	—	—	340.6	22.41	5,786
Rodney Smith **Altera**	51	8	8	Southampton	BSEE	245.5	—	—	245.5	2.92	13,253
William Ziegler III **American Fructose**	63	41	16	Harvard Columbia	BA MBA	678.2	11.1	$142.0	831.3[4]	26.64[5]	49,388
Martin Lerner **American List**	58	26	26	Polytechnic Inst	BS	791.0	30.0	—	821.0	9.91	5,269
Charles O Rossotti **American Management Sys**	50	21	9	Georgetown Harvard	BA MBA	590.0	—	—	590.0	9.40	20,328
Roger B Dowdell Jr **American Power Conversion**	42	6	6	Brown Rhode Island	BS MS	391.8	—	—	391.8	12.31	40,104

Stock prices as of Oct. 11 *Includes all share classes. †Less than one year. [1]Compensation data for position of vice president of finance and chief financial officer. [2]Became chief executive July 1991. Stock holdings not available. [3]Executive officers are paid by Alfa Mutual Insurance Co. under a management service contract. [4]Chief executive compensated by American Maize-Products. [5]Includes shares owned indirectly through American Maize-Products, which owns 47.9% of American Fructose.

THE 200 BEST SMALL COMPANIES' CHIEF EXECUTIVES

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	Stock owned mkt val* (000)
Robert J Fierle **American Precision Inds**	69	45	45	Northwestern	BSME	$263.0	$2.0	—	$265.0	19.64%	$10,081
Edward H Arnold **Arnold Industries**	52	26	20	Notre Dame	BS	1,020.2	—	—	1,020.2	28.94	120,973
Stuart Komer **Artistic Greetings**	65	35	25	Ohio State	BS	374.4	102.5	$51.6	528.5	12.87	10,003
Albert W Ondis **Astro-Med**	65	20	20	Boston U	BA	201.7	—	—	201.7	32.95	17,032
Alvar J Green **Autodesk**	45	7	5	Eastern Michigan U	BBA	376.5	5.7	—	382.2	—[3]	14
Richard L Shaw **Michael Baker**	64	40	6	Pittsburgh	BS	261.8	6.9	—	268.7	1.10	630
Dale H Ballard **Ballard Med Prods**	68	13	13	Utah	BS	174.3	—	—	174.3	12.57	58,774
Ben R Cohen **Ben & Jerry's Homemade**	40	13	13			83.4	1.7	—	85.1	22.30	18,650
Harold S Schwenk Jr **BGS Systems**	50	15	15	Brown Harvard	BS PhD	252.0	1.6	—	253.6	19.07	21,002
Dane A Miller **Biomet**	45	14	14	GMI Inst Cincinnati	BS PhD	309.8	—	—	309.8	4.95	105,043
Max P Watson Jr **BMC Software**	45	6	2	Louisiana Tech	BBA	706.7	—	—	706.7[1]	0.73	9,752
Francis L Reed **Boston Acoustics**	58	12	12	Boston C	BA	264.3	—	—	264.3	15.90	13,025
Allan L Bridgford **Bridgford Foods**	56	34	16	Stanford	BA	104.0	247.5	—	351.5	16.72	23,052
Roe H Hatlen **Buffets**	48	8	8	Pacific Lutheran U Oregon	BA MBA	176.2	—	1,270.4	1,446.6	6.16	19,402
S Robert Levine **Cabletron Systems**	33	9	9	Miami	BS	1,091.4	—	—	1,091.4	29.28	375,415
Warren G Wood **Cabot Medical**	61	8	8	Washington	BSEE	204.6	9.2	—	213.8	18.50	15,868
David B Leeson **California Microwave**	54	23	23	Cal Tech Stanford	BS PhD	314.6	55.0	—	369.6	2.55	4,743
Joseph S Kruy **Cambex**	60	23	23	U of Budapest U of Budapest	BS MSEE	363.2	—	—	363.2	10.07	6,237
Dean G Cannon **Cannon Express**	50	10	10			162.0	—	—	162.0	30.30[2]	8,911
George A Fait **Capitol Transamerica**	65	31	31	Wisconsin	BBA	927.7	31.9	—	959.6	19.32	16,458
John G Rangos Sr **Chambers Development**	62	20	6			1,548.0	2.0	—	1,550.0	27.65	524,354
Duane C Montopoli **Chemical Fabrics**	42	5	4	Cincinnati Golden Gate U	BBA MA	205.3	—	2,144.3	2,349.6	0.06	59
John P Morgridge **Cisco Systems**	58	3	3	Wisconsin Stanford	BBA MBA	274.9	—	—	274.9	4.38	49,552

Stock prices as of Oct. 11. *Includes all share classes. [1]Became chief executive April 1990. Salary is for office of vice president and chief operating officer. [2]Shares held jointly with wife, Rose Marie Cannon, who is also an officer of the company. [3]Less than 0.01%.

THE 200 BEST SMALL COMPANIES' CHIEF EXECUTIVES

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	Stock owned mkt val* (000)
Robert J Shillman **Cognex**	45	10	10	Northeastern MIT	BSEE MSEE	$216.0	—	—	$216.0	25.72%	$64,190
James W Barnes **Cohu**	61	33	8	Cal State Fresno	BS	248.1	—	—	248.1	1.27	277
Stephen G Hall **Colonial Cos**	45	18	1	Citadel Utah	BS MBA	388.0	$27.1	—	415.1	0.04	167
John R Cummings **Comptek Research**	58	23	1			169.4	0.9	—	170.3	5.57	1,303
Gordon S Glenn **Computer Data Sys**	43	20	—†	Kentucky	BSME	244.3	2.2	—	246.5[1]	0.85	226
Dan M Palmer **Concord Computing**	48	6	2	Memphis State	BA	197.5	—	$160.0	357.5	0.32	883
H Robert Gill **ConferTech International**	55	3	3	Indiana Tech Purdue	BSEE MSEE	150.0	—	—	150.0	0.04	10
Robert C Strauss **Cordis**	50	9	5	Illinois Idaho	BS MS	333.1	—	30.6	363.7[2]	0.07	395
Mark S Weinstein **Cosmetic Center**	39	19	3	Maryland	BA	212.0	—	—	212.0	6.01	1,909
Thomas N Hendrickson **CPAC**	49	22	22	Wisconsin Rochester	BA MCE	379.5	12.6	—	392.1	9.45	1,935
Dan W Evins **Cracker Barrel Old Ctry Str**	56	22	22			516.8	21.0	—	537.8	1.66	12,802
Jack Farber **CSS Industries**	58	12	12	Pennsylvania	BS	490.0	21.6	—	511.6	42.34[3]	69,378
T J Rodgers **Cypress Semiconductor**	43	8	8	Dartmouth Stanford	BS PhD	250.0	—	—	250.0	0.77	5,469
Ron Pickard **Danek Group**	42	1	1			—[4]	—	1,635.8	1,635.8	3.30	9,460
Richard C Rose **Dataflex**	43	7	2	Miami	BS	868.6	—	—	868.6	4.12	2,293
Nunzio P De Santis **Diagnostek**	40	9	9	New Mexico	BS	361.0	33.4	—	394.4	6.59	28,627
Sigi Ziering **Diagnostic Prods**	63	19	18	CUNY Brooklyn Syracuse	BS MS, PhD	343.0	—	—	343.0	20.31	105,213
John P Schinas **Digi Intl**	54	6	6	Texas Northeastern	BS MS	300.9	—	—	300.9	23.32	44,640
A Blaine Bowman **Dionex**	45	12	9	Brigham Young Stanford	BS MBA	369.7	39.8	6.4	415.9	2.28	4,775
T Gary Rogers **Dreyer's Grand Ice Cream**	49	14	14	U of Calif Berkeley Harvard	BS MBA	598.7	66.6	—	665.3	12.18	48,715
John S Haddick **Duriron**	62	37	6	Iowa State	BS	621.6	10.1	66.2	697.9	0.33	855
John A Couri **Duty Free Intl**	50	9	9	Syracuse	BA	475.0	—	—	475.0	7.51[5]	59,965
Gerhard J Neumaier **Ecology and Environment**	54	21	21	GMI Inst SUNY Buffalo	BME MA	207.5	14.9	—	222.4	22.88	14,615

Stock prices as of Oct. 11. *Includes all share classes. †Less than one year. [1]Became chief executive 7/16/91. Salary is for office of president and chief operating officer. [2]For fiscal year ended 6/30/90. [3]Estimated; includes indirect ownership through Philadelphia Inds. [4]Became chief executive 4/1/91. Salary data not available. [5]Includes chief executive's proportional interest in IDF Services.

THE 200 BEST SMALL COMPANIES' CHIEF EXECUTIVES

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val* (000)
Lawrence F Probst III **Electronic Arts**	40	7	1	Delaware	BA	$262.5	—	—	$262.5[1]	—	—
Thorley D Briggs **Emcon**	59	10	5	Harvard	BA	186.7	$8.0	—	194.7	1.98%	$2,599
Donald D Maurer **Empi**	54	14	12	South Dakota State Iowa State	BSEE MS	209.2	4.0	$97.6	310.8	5.97	2,672
Malcolm Waddell **EnClean**	39	9	9	Rice Harvard	BA MBA	190.0	3.4	—	193.4	3.99	3,289
Bernard J Duroc-Danner **Energy Ventures**	38	4	1	Pennsylvania	PhD	206.7	—	740.0	946.7	0.33	640
Robert A Kierlin **Fastenal**	52	24	24	Minnesota Minnesota	BS MA	120.0	—	—	120.0	19.52	42,119
George D Dalton **Fiserv**	63	7	7	Northwestern	BBS	314.0	13.8	—	327.8	1.26	6,270
Howard Solomon **Forest Labs**	64	14	14	CUNY City Col Yale	BS LLB	401.2	—	—	401.2	1.66	19,856
Charles B Johnson **Franklin Resources**	58	34	20	Yale	BA	479.6	19.7	—	499.3	22.93	331,742
George W Townson **Frederick's of Hollywood**	50	6	6			408.1	—	353.0	761.1[2]	0.97	781
Walter A Rhulen **Frontier Insurance Group**	60	28	28	Connecticut	BS	266.4	24.1	—	290.5	10.78	16,117
Stoney M Stubbs Jr **Frozen Food Express Inds**	55	31	8	Texas A&M	BBA	244.1	18.4	—	262.5	4.32	2,363
Joseph D Macchia **Gainsco**	56	13	13	Fairfield	BS	421.8	118.5	280.1	820.4	12.89	14,795
Robert L Paulson **Geodynamics**	54	2	2	Michigan Tech Air Force Tech	BS MS	198.4	—	24.0	222.4	0.33	108
Harold F Flynn **Geonex**	55	15	15	Widener	BA	174.1	—	—	174.1	29.07[3]	11,999
David W Miller **Geraghty & Miller**	62	35	34	Colby Columbia	BA MA	317.1	8.1	—	325.2	21.96	21,219
Frank A Rosenberry **CR Gibson**	54	8	3	Princeton	BA	217.0	13.3	—	230.3	4.07	2,673
David C Wetmore **Goal Systems**	43	3	2	Notre Dame Ohio State	BBA MBA	359.7	7.1	—	366.8[4]	0.09	214
Ronald K Zuckerman **Grist Mill**	49	18	10	Illinois Chicago	BSEE MBA	299.7	2.9	—	302.6	12.48	3,482
Robert S Bowen **Group 1 Software**	53	8	5	Northwestern Harvard	BS MBA	608.0	—	—	608.0[5]	0.29	270
David S Eakin **Gundle Environmental Sys**	36	7	7	Princeton Carnegie-Mellon	BSE MBA	291.0	—	—	291.0	4.21	7,727
Kathryn C Hach **Hach**	69	43	4			88.8	9.6	—	98.4	41.14	69,661
John F White **Haemonetics**	47	15	8	William Jewell U of Penn, Wharton	BS MBA	615.2	2.5	—	617.7	14.55	52,913

Stock prices as of Oct. 11. *Includes all share classes. [1]Salary as senior vice president of company, became chief executive April 1991. [2]Compensation for year ended August 1990. [3]Shares held jointly with wife, Judith Flynn, who is also an officer of the company. [4]Became chief executive February 1990. Salary is for office of president and chief operating officer. [5]Chief executive partially compensated by Comnet, which owns 82.9% of firm's stock. For fiscal year ended 3/31/90.

THE 200 BEST SMALL COMPANIES' CHIEF EXECUTIVES

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	Stock owned mkt val* (000)
Curtis L Smith Jr **Handex Environ Recovery**	64	5	5	Dartmouth	BA	$176.4	—	—	$176.4	25.52%	$57,898
James C Smith **HealthCare Compare**	50	7	7	Northeastern	BA	406.0	$4.2	—[1]	410.2	3.68	26,963
Russell A Gerdin **Heartland Express**	50	13	13	Moorhead State	BA	300.0	—	—	300.0	50.02	89,411
Kent H Kerkhof **Home Nutritional Svcs**	42	4	2	Butler Butler	BS MS	141.3	2.1	$44.1[1]	187.5	0.21	544
James M McNamee **Hooper Holmes**	46	23	7	Regis College Fairleigh Dickinson	BS MBA	249.0	13.9	—	262.9	0.45	290
Henry C Baumgartner **ILC Technology**	59	24	1	Stanford Stanford	BA MBA	141.3	2.1	—	143.4	2.69	1,592
Jerome Kalishman **Insituform Mid-America**	64	7	4	Washington Washington	BS,BA JD	225.0	8.9	—	233.9	34.80	33,451
Michael P Sullivan **Intl Dairy Queen**	56	16	4	Marquette Minnesota	BS JD	450.0	—	—	450.0	0.25	1,053
Ralph R Weiser **Intl Recovery**	66	7	7	NYU Harvard	BA JD	535.0	—	—	535.0	5.53	4,623
Sam N Wilson **Intertrans**	56	11	11	North Texas State	BA	176.2	—	—	176.2	3.52	3,817
Robert W Allington **Isco**	56	32	32	U of Nebraska Lincoln U of Nebraska Lincoln	BS MS	198.8	8.4	—	207.2	50.16	36,283
Gerald B Shreiber **J&J Snack Foods**	49	20	20			375.0	4.0	—	379.0	28.10	38,763
Jean Madar **Jean Philippe Fragrances**	30	6	6	Ecole SS Econ & Com	MBA	151.0	47.4	—	198.4	38.17	7,319
E Robert Ferguson **Kasler**	53	6	2	Michigan	BSCE	178.7	13.5	9.7	201.9	0.36	324
Lawrence J Cawley **Kaydon**	57	6	4	Cleveland State	BME	491.2	—	34.9	526.1	0.21	730
John F Keane **Keane**	60	26	26	Harvard Harvard	BA MBA	245.9	2.7	—	248.6	45.50	41,017
Morrie K Abramson **Kent Electronics**	56	18	18	Houston	BA	442.3	2.1	—	444.4	3.85	3,461
Steven L Salman **Kentucky Medical Ins**	44	—†	—†	Indiana Capital U	BS JD	—	—	—	—[2]	—[2]	—
George A Peterkin Jr **Kirby**	64	43	15	U of Texas Austin	BBA	282.6	4.0	—	286.6	2.53	8,732
Ray Wirta **Koll Management Svcs**	47	11	1	Cal State Long Beach Golden Gate U	BA MBA	—	—	—	—[3]	—	—
Thomas M Fulton **Landauer**	57	14	4	Dartmouth	BA	228.8	—	—	228.8	1.54	2,057
C Eugene Ennis **Landmark Graphics**	47	7	7	Houston	BSEE	166.4	—	—	166.4	1.56	3,732
C Fredrick Sehnert **Laser Precision**	60	6	—†	North Texas State	BA	—	—	—	—[4]	0.01	3

Stock prices as of Oct. 11. *Includes all share classes. †Less than one year. [1]Stock gains from exercising options of Healthdyne, which owns 67% of company. [2]Became chief executive 8/1/91. Information not available. [3]Chief executive compensated by Koll Co., which owns 66.7% of firm's stock. [4]Became chief executive 8/29/91. Compensation data not available.

THE 200 BEST SMALL COMPANIES' CHIEF EXECUTIVES

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	Stock owned mkt val* (000)
Daniel J Terra **Lawter Intl**	80	51	51	Penn State	BSCE	—	—	—	—[1]	18.46%	$89,171
Donald Jonas **Lechters**	62	16	16			$60.0	$34.0	—	$94.0	35.21	112,755
Michael Leiner **P Leiner Nutritional Prods**	45	14	13	Imperial C London Harvard	BSC MBA	400.6	—	—	400.6	1.97	1,387
Gary D Parker **Lindsay Manufacturing**	46	20	7	Nebraska Wesleyan	BS	198.6	24.6	$367.1	590.3	0.68	780
Robert H Swanson Jr **Linear Technology**	53	10	10	Northeastern	BS	371.2	—	—	371.2	2.41	11,026
Hsing (Morries) Y Liu **Liuski Intl**	43	7	7	Chinese Cultural U	BA	112.0	—	—	112.0	58.25	12,117
John E Pippin **LXE**	64	23	23	Georgia Tech Harvard	BEE PhD	261.6	3.5	—	265.1[2]	2.39[3]	2,206
Andrew W Hoch **Magma Power**	68	11	4	Stevens Inst Tech	BS	201.9[4]	—	—	201.9	0.38	2,306
Anthony W DeSio **Mail Boxes Etc**	61	10	7	Connecticut	BSEE	256.6	12.8	317.5	586.9	13.42	19,273
Doyl D West **Matrix Services**	49	7	7			193.6	—	—	193.6	2.30	5,529
John F Gifford **Maxim Integrated Prods**	50	8	8	UCLA	BSEE	400.0	—	922.5	1,322.5	2.22	5,031
William O Bailey **MBIA**	65	4	4	Dartmouth Pennsylvania	BA MBA	775.0	97.7	—	872.7	0.05	798
Robert P McGrath **McGrath RentCorp**	58	12	12	Notre Dame	BS	323.7	116.1	—	439.8	28.21[6]	33,426
David A Swann **MedChem Prods**	55	21	19	Reading U Leeds	BS PhD	277.3	—	—	277.3	6.26	7,233
David A Abrahamson **Medicine Shoppe Intl**	52	6	2	Illinois Harvard	BS MBA	215.9	4.7	—	220.6[5]	0.10	185
Ernest G Ludy **Medstat Systems**	45	10	10	U of Detroit U of Detroit	BA MA	276.2	17.0	—	293.2	30.90	27,597
James F Marino **Merchants Group**	48	19	10	La Salle	BA	233.0	66.4	—	299.4	0.50	129
John E Reed **Mestek**	75	47	47	Yale Northeastern	BA LLB	828.9	12.0	—	840.9	36.02	30,324
William J McGinley **Methode Electronics**	68	45	45	Amherst	BA	520.3	228.7	—	749.0	8.91	10,881
Salvatore M Caravetta **Micro Healthsystems**	65	20	20	Penn State	BA	245.9	—	—	245.9	27.07	16,661
Reay Sterling Jr **Micros Systems**	59	5	4	Cornell	BME	152.7	—	—	152.7	0.09	44
Christopher L White **Mid-American Waste Sys**	38	6	1	Ohio State	BS	244.3	—	—	244.3	3.77	15,681
William N Mayer **Modern Controls**	61	20	4	Wisconsin	BS	253.1	1.1	76.1	330.3	3.70	2,475

Stock prices as of Oct. 11. *Includes all share classes. [1]Chief executive authorized to receive, but waived, cash compensation of $450,000. [2]Compensated through Electromagnetic Sciences. [3]Shares owned indirectly through Electromagnetic Sciences, which owns 78.3% of company. [4]Acting chief executive. Salary as chief operating officer and chairman of the board. [5]Became chief executive May 1990. Salary is for office of senior vice president. [6]Shares held jointly with wife, Joan McGrath, who is also an officer of the company.

THE 200 BEST SMALL COMPANIES' CHIEF EXECUTIVES

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val* (000)
George A Ciotti **Moorco Intl**	60	27	2	Gannon Gannon	BSEE MBA	$390.0	$4.3	—	$394.3	2.49%	$5,359
M Akram Chowdry **Mylex**	56	5	5	U of Panjab U of Calif Berkeley	MA PhD	550.0	—	—	550.0	3.11	1,796
Ronald L Bornhuetter **NAC Re**	59	6	6	Wooster Columbia	BA MBA	925.5	40.8	—	966.3	0.63	2,171
Alan D Kennedy **Nature's Sunshine Prods**	60	2	2	Colgate	BA	184.6	—	—	184.6	0.12	102
C Raymond Larkin Jr **Nellcor**	43	8	2	La Salle	BS	340.0	—	—	340.0	0.61	2,040
Lloyd E Cotsen **Neutrogena**	62	34	24	Princeton Harvard	BA MBA	650.0	17.2	—	667.2	38.74	242,383
Albert L Nichols **Nichols Institute**	57	21	21	Loyola Marquette	BS MD	457.0	—	$1,042.7	1,499.7	19.42	33,523
Chris H Horgen **Nichols Research**	44	15	15	Iowa State USC	BS MS	205.7	23.7	—	229.4	11.02	5,666
Ahmed D Kafadar **OEA**	76	34	34	Colo School of Mines Colo School of Mines	EM MEM	353.1	15.0	—	368.1	13.47	47,020
James B Clement **Offshore Logistics**	46	14	3	Baylor	BA	248.3	9.3	168.8	426.4	—	—
William W Botts **OI**	49	7	6	Mississippi State Mississippi State	BSIE MBA	169.4	4.7	—	174.1	3.42	1,153
D Dean Spatz **Osmonics**	47	22	22	Dartmouth Dartmouth	BA ME	294.2	20.0	—	314.2	20.11	22,784
B Thomas Golisano **Paychex**	49	20	20			306.4	—	—	306.4	15.67	57,333
Louis A Delmonico **PDA Engineering**	50	4	2	St John's Uppsala	BA PhD	351.2	14.0	—	365.2	—	—
Henry David Epstein **Penril Datacomm Networks**	64	4	4	Brown Harvard	BS MEE	375.2	—	—	375.2	4.87	1,935
Norman Melnick **Pentech Intl**	60	7	7	Polytechnic Inst	BS	268.5	18.0	—	286.5	13.19	13,367
Cecil S Harrell **Pharmacy Management Svcs**	57	19	19	Auburn	BS	241.2	—	—	241.2[1]	46.55	33,461
James A Miller **Plains Petroleum**	57	3	3	Baylor	BS	177.4	0.5	—	177.9	0.06	207
Michael W Dunaway **Psicor**	51	23	23			200.0	10.8	—	210.8	53.61	31,312
Walter W Straub **Rainbow Technologies**	43	9	8	Drexel Drexel	BS MBA	183.7	1.0	—	184.7	8.66	6,426
David A Christensen **Raven Industries**	56	29	20	South Dakota State	BS	299.5	23.1	81.9	404.5	3.52	1,927
Thomas A James **Raymond James Financial**	49	27	22	Harvard Harvard	BA MBA	579.9	48.8	—	628.7	30.38	68,723
James M Usdan **RehabCare**	42	2	2	Harvard	AB	103.4	—	—	103.4	0.03[2]	18

Stock prices as of Oct. 11. *Includes all share classes. [1]For fiscal year ended July 1990. [2]Shares owned indirectly through Comprehensive Care, which owns 47.9% of company.

THE 200 BEST SMALL COMPANIES' CHIEF EXECUTIVES

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	Stock owned mkt val* (000)
Gary L Crocker **Research Inds**	40	8	8	Harvard Harvard	BS MBA	$218.8	$3.2	$381.4	$603.4	4.51%	$6,396
Gerald E McGinnis **Respironics**	57	20	20	Illinois Pittsburgh	BS MS	236.7	46.2	—	282.9[1]	10.81	10,514
Michael O Preletz **Rexon**	52	6	5			406.9	—	25.0	431.9	7.83	5,181
Lawrence A Lemkuhl **St Jude Medical**	54	6	6	U of Iowa	BBA	453.2	80.4	—	533.6	0.21	4,821
Mario Sbarro **Sbarro**	49	14	7			425.3	—	—	425.3	10.41	52,933
Patrick Peugeot **SCOR US**	54	8	3			267.1	—	76.8	343.9	0.09	241
Marvin W Ozley **Sealright**	57	25	3	SW Missouri State	BS	310.0	5.2	—	315.2	1.68	4,447
Alfred P West Jr **SEI**	48	23	23	Georgia Tech U of Penn, Wharton	BS MBA	254.4	7.8	—	262.2	28.71	81,753
Herbert M Pearlman **Seitel**	58	9	5	Adelphi	BBA	577.0	—	—	577.0	2.35	1,519
Ronald G Assaf **Sensormatic Electronics**	56	25	25			580.2	130.5	—	710.7	0.96	6,433
Richard W Krajicek **Serv-Tech**	62	9	9			141.5	1.3	—	142.8	17.98	15,003
William T O'Donnell Jr **Sierra Tucson Cos**	42	7	7	Brown Northwestern	BA MM	518.0	—	—	518.0	45.36	101,913
Winston H Chen **Solectron**	50	13	7	Chen Kung Harvard	BS PhD, MS	317.3	—	—	317.3	12.72	21,268
Louis P Neeb **Spaghetti Warehouse**	52	3	—†	Notre Dame George Washington	BBA MBA	—	—	—	—[2]	0.20	271
Donald C Spann **Span America Medical Sys**	56	20	20	S Carolina	BA	163.4	—	—	163.4	20.80	3,667
George W Sztykiel **Spartan Motors**	62	14	14	London University	BS	149.3	5.6	—	154.9	15.01	23,688
Milan Panic **SPI Pharmaceuticals**	61	10	10	U of Belgrade	BA	574.0	—	—	574.0[3]	0.43[4]	1,546
Robert L Bailey **State Auto Financial**	57	20	3	Pittsburgh State	AB	217.5	18.3	—	235.8	0.12	105
David S Samuels **State Of The Art**	36	6	6	Ohio State	BS	345.0	—	—	345.0	6.38	5,399
Ronald J Friedsam **Structural Dynamics Res**	48	5	5	NYU	BS	805.6	4.0	1,239.0	2,048.6	0.05	276
John W Brown **Stryker**	57	15	15	Auburn	BS	440.0	22.0	—	462.0	4.78	61,271
Robert J Sullivan **Sullivan Dental Prods**	61	11	11			279.0	1.5	—	280.5	24.92	35,524
Macy T Block **Sun Television & Appl**	65	42	1			150.0	—	—	150.0	30.69	25,197

Stock prices as of Oct. 11. *Includes all share classes. †Less than one year. [1]For fiscal year ended 6/30/90. [2]Became chief executive 7/1/91. Compensation data not available. [3]Compensated by ICN Pharmaceuticals. [4]Includes proportional interest through ICN Pharmaceuticals, which owns 88% of firm's stock.

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val* (000)
Joel C Gordon **Surgical Care Affiliates**	62	9	6	Kentucky	BS	$457.4	—	$1,081.1	$1,538.5	6.32%	$77,177
Lawrence J Fox **Symix Systems**	35	12	12	Ohio State Dayton	BS MBA	245.1	$1.2	—	246.3	51.12	19,125
Thomas E Haire **T2 Medical**	47	8	8	Central Michigan	BS	390.4	18.1	—	408.5	1.92	17,731
Thomas E Oland **Techne**	50	7	6			158.4	30.6	—	189.0	2.30	1,837
Peter N Vicars **Tekelec**	44	4	3			298.0	3.1	—	301.1	0.08	49
Michael L Jeane **Tetra Technologies**	45	11	7	Stephen F Austin St NYU	BS MS	276.2	—	—	276.2	1.63	3,017
Arvin H Smith **Thermo Instrument Sys**	62	21	5	Texas Christian	BS	211.5	—	61.3	272.8[1]	0.22[2]	1,457
Melvin J Gordon **Tootsie Roll Industries**	71	39	29	Harvard Harvard	AB MBA	661.0	77.9	—	738.9	19.04[3]	109,451
Richard W Ussery **Total System Services**	44	26	9	Auburn	BA	244.4	—	—	244.4	0.14	616
Robert S Reitman **Tranzonic Cos**	57	23	18	West Virginia Case Western Res	BS JD	496.0	32.7	52.7	581.4	15.18	8,731
James F Billet Jr **Trenwick Group**	47	13	13	Lafayette	AB	582.8	122.5	—	705.3	1.62	2,683
Stephen F Bullock **TriCare**	38	6	6	Arizona	BS	241.4	—	—	241.4	3.58	2,975
Jack Tseng **Tseng Labs**	40	8	8	Spring Garden C	BSEE	157.2	—	—	157.2	33.59	52,262
William Dean Wallace **Utah Medical Products**	44	8	5	Brigham Young Utah	BS MD, PhD	123.0	—	—	123.0	4.76	6,046
John R Potter **Utilx**	46	8	2	Harvard MIT	BA MS	330.5	4.7	—	335.2	1.59	676
Steven J Appel **Value Merchants**	49	2	2	Wisconsin	BBA	342.5	—	—	342.5	2.80	6,717
W Bruce Lunsford **Vencor**	44	6	6	Kentucky Northern Kentucky	BA JD	224.5	4.3	—	228.8	10.15	40,148
Hatim A Tyabji **VeriFone**	46	5	5	C of Engineer India SUNY Buffalo	BS MS	420.0	80.3	249.6	749.9	0.90	3,838
J Rex Vardeman **Vertex Communications**	52	7	7	Texas Tech Southern Methodist	BS MS	171.0	—	—	171.0	9.66	2,381
Patrizio Vinciarelli **Vicor**	45	10	10	U of Rome	PhD	109.7	8.7	—	118.4	52.87	294,994
Terence D Wall **Vital Signs**	50	20	20	Maryland Pace	BS MBA	243.3	0.9	—	244.2	40.72	81,320
Clarence L Werner **Werner Enterprises**	54	35	35			553.9	—	—	553.9	49.74	151,352
Ted Thompson **X-Rite**	62	23	15	Aquinas College	BS	240.1	10.0	—	250.1	7.91	7,626

Stock prices as of Oct. 11. *Includes all share classes. [1]Chief executive is paid by Thermo Electron. [2]Includes shares owned indirectly through Thermo Electron, which owns 83% of company. [3]Shares held jointly with wife, Ellen Gordon, who is also an officer of the company.

Ranking the 200 Best Small Companies

Where they rank: 5-year average ROE	Sales	Profits	Market value	Company	Exch	Ticker symbol	5-year average ROE	Sales ($mil)	Profits ($mil)	Market value* ($mil)
139	78	64	66	A&W Brands	o	SODA	14.0%	$118	$13.0	$254
46	7	5	11	Acuson	n	ACN	24.6	310	53.2	1,183
6	32	6	14	Adobe Systems	o	ADBE	44.0	220	50.5	1,043
8	33	63	106	Advanced Logic Research	o	AALR	43.2	213	13.1	135
79	97	130	174	AirTran	o	ATCC	19.8	93	4.8	46
164	12	52	57	AL Laboratories	n	BMD	12.2	283	15.0	305
50	60	20	28	Aldus	o	ALDC	23.9	161	28.0	541
124	31	22	77	Alfa Corp	o	ALFA	15.6	224	26.4	219
187	5	51	144	Allied Group	o	ALGR	10.0	331	15.3	80
110	91	199	200	Allou Health & Beauty Care	a	ALU	16.3	96	1.1	17
51	199	184	190	Allstate Financial	o	ASFN	23.8	10	2.1	26
111	99	53	35	Altera	o	ALTR	16.3	91	14.9	454
98	36	31	87	American Fructose	a	AFCA	18.0	206	22.6	185
38	200	163	169	American List	a	AMZ	26.2	9	3.2	53
120	14	60	78	American Management Sys	o	AMSY	15.8	279	13.3	216
14	117	68	54	American Power Conversion	o	APCC	38.2	72	11.5	326
143	140	155	173	American Precision Inds	n	APR	13.7	51	3.9	51
65	57	30	41	Arnold Industries	o	AIND	21.7	163	22.6	418
147	136	168	146	Artistic Greetings	o	ARTG	13.3	54	2.8	78
160	172	174	170	Astro-Med	o	ALOT	12.5	30	2.6	52
42	17	4	12	Autodesk	o	ACAD	25.5	267	60.8	1,161
183	64	159	164	Michael Baker	a	BKR	10.3	148	3.4	57
27	162	90	33	Ballard Medical Prods	o	BMED	28.6	36	8.2	468
131	111	165	137	Ben & Jerry's Homemade	o	BJICA	14.9	83	2.9	84
44	184	118	116	BGS Systems	o	BGSS	25.4	23	5.5	110
68	26	9	2	Biomet	o	BMET	21.4	227	42.4	2,121
11	68	17	6	BMC Software	o	BMCS	39.1	143	29.4	1,339
60	171	136	142	Boston Acoustics	o	BOSA	22.3	30	4.3	82
61	98	137	104	Bridgford Foods	o	BRID	22.2	92	4.3	138
83	54	82	56	Buffets	o	BOCB	19.2	171	9.0	315
5	24	7	8	Cabletron Systems	n	CS	44.1	233	46.4	1,282
133	156	177	131	Cabot Medical	o	CBOT	14.7	38	2.4	86

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. *Includes all share classes.

Where they rank: 5-year average ROE	Sales	Profits	Market value	Company	Exch	Ticker symbol	5-year average ROE	Sales ($mil)	Profits ($mil)	Market value* ($mil)
196	49	91	86	California Microwave	o	CMIC	9.0%	$177	$8.0	$186
1	161	121	158	Cambex	o	CBEX	100.0†	36	5.3	62
106	179	186	186	Cannon Express	o	CANX	16.8	27	2.0	29
30	166	81	133	Capitol Transamerica	o	CATA	28.1	33	9.1	85
121	13	11	3	Chambers Development	a	CDVA	15.8	281	39.0	1,896
103	139	114	123	Chemical Fabrics	o	CMFB	17.0	51	5.8	96
19	46	8	13	Cisco Systems	o	CSCO	33.8	183	43.2	1,131
74	178	92	68	Cognex	o	CGNX	20.6	27	8.0	250
172	145	172	194	Cohu	a	COH	11.4	48	2.7	22
155	3	12	39	Colonial Cos	o	CLACB	12.7	337	38.0	423
194	135	193	193	Comptek Research	a	CTK	9.3	55	1.6	23
161	73	158	188	Computer Data Systems	o	CPTD	12.4	133	3.5	27
34	148	101	61	Concord Computing	o	CEFT	27.1	45	7.0	276
49	189	197	189	ConferTech International	o	CFER	24.3	18	1.3	26
184	41	37	27	Cordis	o	CORD	10.2	199	19.3	542
199	108	188	185	Cosmetic Center	o	COSC	8.7	84	1.8	32
76	173	191	196	CPAC	o	CPAK	20.3	29	1.7	21
144	9	29	17	Cracker Barrel Old Ctry Str	o	CBRL	13.7	300	22.9	772
36	56	39	95	CSS Industries	a	CSS	26.5	165	18.5	164
168	19	13	19	Cypress Semiconductor	n	CY	11.9	263	35.5	706
17	168	142	59	Danek Group	o	DNKG	35.7	32	4.2	287
72	93	132	165	Dataflex	o	DFLX	21.0	94	4.7	56
158	21	84	37	Diagnostek	n	DXK	12.6	250	8.8	434
75	109	41	29	Diagnostic Prods	n	DP	20.4	84	18.4	518
15	164	98	85	Digi Intl	o	DGII	37.9	36	7.3	191
114	104	57	81	Dionex	o	DNEX	16.1	89	14.2	209
104	4	59	43	Dreyer's Grand Ice Cream	o	DRYR	16.9	333	13.9	400
127	10	34	65	Duriron	o	DURI	15.3	298	21.6	257
100	67	40	16	Duty Free Intl	o	DFII	17.7	145	18.5	798
169	107	120	157	Ecology and Environment	a	EEI	11.9	87	5.3	64
69	82	79	64	Electronic Arts	o	ERTS	21.4	109	9.6	264
132	125	119	108	Emcon	o	MCON	14.8	63	5.4	131
175	190	198	175	Empi	o	EMPI	11.2	18	1.2	45
149	88	138	140	EnClean	o	ENCL	13.2	100	4.3	83
97	53	15	84	Energy Ventures	o	ENGY	18.1	172	31.6	193
48	130	103	79	Fastenal	o	FAST	24.4	59	6.6	216
146	34	49	31	Fiserv	o	FISV	13.4	213	15.5	499
151	38	10	10	Forest Labs	a	FRX	13.0	201	40.4	1,196
13	8	2	5	Franklin Resources	n	BEN	38.9	307	93.8	1,447
128	80	126	143	Frederick's of Hollywood	n	FHO	15.3	112	5.0	80
57	105	67	98	Frontier Insurance Group	n	FTR	22.9	89	12.3	150
156	52	148	168	Frozen Food Express Inds	a	JIT	12.7	174	4.0	55

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. *Includes all share classes. †Figure greater than 100%.

Where they rank				Company	Exch	Ticker symbol	5-year average ROE	Sales ($mil)	Profits ($mil)	Market value* ($mil)
5-year average ROE	Sales	Profits	Market value							
89	141	94	114	Gainsco	a	GNA	18.8%	$51	$7.7	$115
138	127	156	184	Geodynamics	o	GDYN	14.1	62	3.8	33
200	124	185	179	Geonex	o	GEOX	8.0	63	2.0	41
125	112	145	120	Geraghty & Miller	o	GMGW	15.5	80	4.1	97
134	126	160	156	CR Gibson	a	GIB	14.5	63	3.3	64
66	75	56	69	Goal Systems	o	GOAL	21.6	125	14.4	241
188	128	187	187	Grist Mill	o	GRST	9.9	61	1.9	28
37	176	154	124	Group 1 Software	o	GSOF	26.3	28	3.9	94
140	72	106	89	Gundle Environmental Sys	a	GUN	14.0	134	6.5	184
142	113	107	92	Hach	o	HACH	13.9	76	6.5	169
58	58	55	46	Haemonetics	n	HAE	22.7	163	14.6	364
20	150	104	73	Handex Environ Recovery	o	HAND	33.4	44	6.6	227
148	132	87	18	HealthCare Compare	o	HCCC	13.3	56	8.6	732
43	119	89	90	Heartland Express	o	HTLD	25.5	69	8.2	179
47	101	76	67	Home Nutritional Svcs	o	HNSI	24.5	90	10.0	254
136	76	164	154	Hooper Holmes	a	HH	14.3	123	3.2	65
130	157	151	160	ILC Technology	o	ILCT	15.0	38	4.0	59
109	144	123	122	Insituform Mid-America	o	INSMA	16.6	48	5.1	96
22	11	21	40	Intl Dairy Queen	o	INDQA	33.1	285	27.6	422
78	25	127	136	Intl Recovery	n	INT	20.0	229	5.0	84
99	65	109	117	Intertrans	o	ITRN	17.9	147	6.4	108
145	159	144	148	Isco	o	ISKO	13.6	37	4.1	72
157	85	125	105	J&J Snack Foods	o	JJSF	12.7	107	5.1	138
18	198	200	198	Jean Philippe Fragrances	o	JEAN	35.6	10	1.0	19
189	44	128	128	Kasler	o	KASL	9.8	187	5.0	90
35	59	23	48	Kaydon	o	KDON	26.8	163	26.0	356
70	95	112	126	Keane	a	KEA	21.4	94	5.9	90
170	114	150	127	Kent Electronics	n	KNT	11.9	75	4.0	90
71	185	139	197	Kentucky Medical Ins	o	KYMDA	21.3	20	4.3	20
180	45	54	51	Kirby	a	KEX	10.6	186	14.8	345
2	183	180	178	Koll Management Svcs	o	KOLL	87.4	24	2.4	42
9	180	99	107	Landauer	a	LDR	40.5	27	7.3	133
193	102	78	72	Landmark Graphics	o	LMRK	9.4	90	9.8	239
166	182	175	181	Laser Precision Corp	o	LASR	12.1	25	2.5	38
54	63	25	32	Lawter Intl	n	LAW	23.4	150	24.9	483
86	37	71	55	Lechters	o	LECH	19.0	205	10.4	320
150	71	115	150	P Leiner Nutritional Prods	a	PLI	13.1	136	5.7	70
12	89	83	113	Lindsay Manufacturing	o	LINZ	39.0	99	8.9	115
112	94	46	34	Linear Technology	o	LLTC	16.2	94	17.0	457
24	74	195	195	Liuski Intl	o	LSKI	32.4	130	1.5	21
84	169	181	125	LXE	o	LXEI	19.2	32	2.3	92
178	100	14	23	Magna Power	o	MGMA	10.9	91	32.2	610

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. *Includes all share classes.

Where they rank: 5-year average ROE	Sales	Profits	Market value	Company	Exch	Ticker symbol	5-year average ROE	Sales ($mil)	Profits ($mil)	Market value* ($mil)
90	170	146	99	Mail Boxes Etc	o	MAIL	18.6%	$32	$4.1	$144
4	90	108	71	Matrix Services	o	MTRX	44.7	98	6.5	240
115	115	74	74	Maxim Integrated Prods	o	MXIM	16.1	74	10.1	227
154	22	1	4	MBIA	n	MBI	12.9	240	128.4	1,528
77	133	72	111	McGrath RentCorp	o	MGRC	20.3	56	10.2	119
73	188	122	112	MedChem Prods	a	MCH	20.9	18	5.2	116
92	165	75	83	Medicine Shoppe Intl	o	MSII	18.4	35	10.0	194
87	193	190	129	Medstat Systems	o	MDST	19.0	16	1.8	89
152	87	111	191	Merchants Group	a	MGP	13.0	101	6.0	26
85	35	70	135	Mestek	n	MCC	19.2	211	10.8	84
191	62	88	110	Methode Electronics	o	METHB	9.5	151	8.3	122
107	197	183	159	Micro Healthsystems	o	MCHS	16.8	11	2.2	62
195	155	161	171	Micros Systems	o	MCRS	9.2	40	3.3	51
198	96	66	42	Mid-American Waste Systems	n	MAW	8.9	94	12.7	416
63	195	173	151	Modern Controls	o	MOCO	22.1	13	2.7	67
137	50	65	80	Moorco Intl	o	MOOR	14.3	176	12.8	215
162	134	140	162	Mylex	o	MYLX	12.4	56	4.3	58
177	15	18	50	NAC Re	o	NREC	11.1	277	29.2	347
56	122	141	132	Nature's Sunshine Prods	o	NATR	23.2	65	4.2	86
16	61	44	52	Nellcor	o	NELL	36.1	159	17.2	333
25	27	36	22	Neutrogena	o	NGNA	30.5	226	19.7	626
181	39	97	91	Nichols Institute	a	LABA	10.4	200	7.5	173
122	106	134	172	Nichols Research	o	NRES	15.7	88	4.4	51
163	110	69	49	OEA	n	OEA	12.4	84	11.1	349
101	92	45	102	Offshore Logistics	o	OLOG	17.7	95	17.0	140
55	192	194	183	OI	o	OICO	23.4	17	1.6	34
176	147	152	115	Osmonics	o	OSMO	11.2	46	3.9	113
80	69	73	45	Paychex	o	PAYX	19.8	142	10.2	366
192	160	166	177	PDA Engineering	o	PDAS	9.5	36	2.9	42
31	138	102	180	Penril Datacomm Networks	o	PNRL	28.0	53	6.9	40
28	167	135	118	Pentech Intl	o	PNTK	28.2	33	4.3	101
21	116	178	149	Pharmacy Management Svcs	o	PMSV	33.3	73	2.4	72
39	131	38	53	Plains Petroleum	n	PLP	26.0	56	18.6	331
173	120	171	161	Psicor	o	PCOR	11.4	66	2.7	58
33	194	179	147	Rainbow Technologies	o	RNBO	27.6	16	2.4	74
113	103	131	167	Raven Industries	a	RAV	16.2	90	4.8	55
118	16	26	75	Raymond James Financial	n	RJF	15.9	275	24.2	226
40	152	167	166	RehabCare	o	RHBC	26.0	42	2.9	55
179	196	176	101	Research Inds	o	REIC	10.7	12	2.5	142
62	163	157	119	Respironics	o	RESP	22.2	36	3.8	97
141	47	77	152	Rexon	o	REXN	14.0	181	9.9	66
45	43	3	1	St Jude Medical	o	STJM	25.0	191	73.3	2,331

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Where they rank: 5-year average ROE	Sales	Profits	Market value	Company	Exch	Ticker symbol	5-year average ROE	Sales ($mil)	Profits ($mil)	Market value* ($mil)
82	40	32	30	Sbarro	a	SBA	19.3%	$199	$22.3	$508
182	30	16	62	SCOR US	n	SUR	10.4	226	29.6	273
64	23	48	63	Sealright	o	SRCO	22.0	234	15.8	265
53	48	61	60	SEI	o	SEIC	23.5	178	13.3	285
91	177	113	155	Seitel	n	SEI	18.6	28	5.8	65
197	20	24	20	Sensormatic Electronics	n	SRM	9.0	254	26.0	670
32	121	149	138	Serv-Tech	o	STEC	27.8	65	4.0	83
3	158	95	76	Sierra Tucson Cos	o	STSN	70.1	37	7.7	225
88	18	80	93	Solectron	o	SLTN	19.0	265	9.2	167
135	151	143	103	Spaghetti Warehouse	n	SWH	14.5	43	4.2	138
167	175	196	199	Span America Medical Sys	o	SPAN	12.1	29	1.5	18
29	123	153	96	Spartan Motors	o	SPAR	28.2	65	3.9	158
123	28	33	47	SPI Pharmaceuticals	a	SPI	15.7	226	22.2	358
185	79	86	130	State Auto Financial	o	STFC	10.2	112	8.6	88
7	191	162	134	State Of The Art	o	SOTA	43.6	17	3.3	85
116	70	47	24	Structural Dynamics Res	o	SDRC	16.1	140	16.4	610
108	1	19	7	Stryker	o	STRY	16.8	342	28.8	1,283
23	129	169	100	Sullivan Dental Prods	o	SULL	32.6	59	2.8	143
153	29	133	141	Sun Television & Appl	o	SNTV	13.0	226	4.5	82
119	66	50	9	Surgical Care Affiliates	o	SCAF	15.9	146	15.5	1,222
171	186	189	182	Symix Systems	o	SYMX	11.9	20	1.8	37
81	81	28	15	T2 Medical	o	TSQM	19.6	111	23.7	925
93	187	192	145	Techne	o	TECH	18.4	19	1.6	80
126	142	116	153	Tekelec	o	TKLC	15.5	50	5.6	65
67	118	96	88	Tetra Technologies	o	TTRA	21.5	71	7.6	185
159	2	35	21	Thermo Instrument Sys	a	THI	12.6	340	21.4	650
96	42	27	25	Tootsie Roll Industries	n	TR	18.2	198	23.9	575
59	84	58	36	Total System Services	n	TSS	22.6	107	14.1	437
165	83	129	163	Tranzonic Cos	a	TNZ	12.2	108	4.9	58
186	77	43	94	Trenwick Group	o	TREN	10.2	120	17.9	165
94	154	170	139	TriCare	o	TRCR	18.4	40	2.7	83
10	137	85	97	Tseng Labs	o	TSNG	39.6	54	8.8	156
26	174	124	109	Utah Medical Products	o	UTMD	29.4	29	5.1	127
117	143	117	176	Utilx	o	UTLX	16.1	49	5.5	43
105	51	110	70	Value Merchants	o	VLMR	16.9	176	6.1	240
102	86	105	44	Vencor	o	VCOR	17.3	104	6.6	396
190	55	62	38	VeriFone	o	VFIC	9.8	166	13.2	426
174	153	182	192	Vertex Communications	o	VTEX	11.4	42	2.3	25
52	146	93	26	Vicor	o	VICR	23.7	46	7.8	558
41	149	100	82	Vital Signs	o	VITL	25.9	45	7.0	200
129	6	42	58	Werner Enterprises	o	WERN	15.2	316	18.1	304
95	181	147	121	X-Rite	o	XRIT	18.4	26	4.1	96

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. *Includes all share classes.

Where to find the 200 Best Small Companies

A&W Brands
709 Westchester Avenue
White Plains, NY 10604
(914) 397-1700 Soft drinks
M L Lowenkron

Acuson
PO Box 7393
Mountain View, CA 94039
(415) 969-9112 Ultrasound medical instr
Samuel H Maslak

Adobe Systems
1585 Charleston Road
Mountain View, CA 94039
(415) 961-4400 Computer software
John E Warnock

Advanced Logic Research
9401 Jeronimo Road
Irvine, CA 92718
(714) 581-6770 PCs
Gene Lu

AirTran
7501 26th Avenue
Minneapolis, MN 55450
(612) 726-5151 Commuter airline
Robert D Swenson

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One Executive Drive, PO Box 1399
Fort Lee, NJ 07024
(201) 947-7774 Pharm, animal health prods
Jeffrey E Smith

Aldus
411 First Avenue South
Seattle, WA 98104
(206) 622-5500 Computer software
Paul Brainerd

Alfa Corp
2108 East South Boulevard
Montgomery, AL 36116
(205) 288-3900 Insurance
Goodwin L Myrick

Allied Group
701 Fifth Avenue
Des Moines, IA 50304
(515) 280-4211 Insurance
John E Evans

Allou Health & Beauty Care
50 Emjay Boulevard
Brentwood, NY 11717
(516) 273-4000 Health & cosmetic prod distrib
Herman Jacobs

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Leon Fishman

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Rodney Smith

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(203) 356-9000 High fructose corn syrup
William Ziegler III

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Martin Lerner

American Management Systems
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(703) 841-6000 Mgmt & tech consulting
Charles O Rossotti

American Power Conversion
132 Fairgrounds Road
West Kingston, RI 02892
(401) 789-5735 Uninterrupt power equip
Roger B Dowdell Jr

American Precision Inds
2777 Walden Avenue
Buffalo, NY 14225
(716) 684-9700 Industrial & electrical equip
Robert J Fierle

Arnold Industries
625 South Fifth Avenue
Lebanon, PA 17042
(717) 274-2521 Trucking
Edward H Arnold

Artistic Greetings
One Artistic Plaza
Elmira, NY 14901
(607) 733-5541 Mail order stationery
Stuart Komer

Astro-Med
600 East Greenwich Avenue
West Warwick, RI 02893
(401) 828-4000 High speed printers
Albert W Ondis

Autodesk
2320 Marinship Way
Sausalito, CA 94965
(415) 332-2344 CAD software
Alvar J Green

Michael Baker
4301 Dutch Ridge Road
Beaver, PA 15009
(412) 495-7711 Engineering svcs
Richard L Shaw

Ballard Medical Prods
12050 South Lone Peak Parkway
Draper, UT 84020
(801) 572-6800 Disposable medical prods
Dale H Ballard

Ben & Jerry's Homemade
PO Box 240
Waterbury, VT 05676
(802) 244-5641 Ice cream & franchise stores
Ben R Cohen

BGS Systems
128 Technology Center
Waltham, MA 02254
(617) 891-0000 Computer software
Harold S Schwenk Jr

Biomet
PO Box 587
Warsaw, IN 46581
(219) 267-6639 Medical implant devices
Dane A Miller

BMC Software
PO Box 2002
Sugar Land, TX 77487
(713) 240-8800 Computer software
Max P Watson Jr

Boston Acoustics
70 Broadway
Lynnfield, MA 01940
(617) 592-9000 Audio speaker systems
Francis L Reed

Bridgford Foods
1308 North Patt Street
Anaheim, CA 92801
(714) 526-5533 Frozen & snack food prods
Allan L Bridgford

Buffets
10260 Viking Drive
Eden Prairie, MN 55344
(612) 942-9760 Buffet restaurants
Roe H Hatlen

Cabletron Systems
PO Box 5005
Rochester, NH 03867
(603) 332-9400 Computer network equip
S Robert Levine

Cabot Medical
2021 Cabot Boulevard West
Langhorne, PA 19047
(215) 752-8300 Female reprod health equip
Warren G Wood

California Microwave
985 Almanor Avenue
Sunnyvale, CA 94086
(408) 732-4000 Commun & telecomm equip
David B Leeson

Carnbex
360 Second Avenue
Waltham, MA 02154
(617) 890-6000 Computer equip & software
Joseph S Kruy

Cannon Express
1457 Ror nson, PO Box 364
Springdale, AR 72764
(501) 751-9209 Trucking
Dean G Cannon

Capitol Transamerica
4610 University Avenue
Madison, WI 53705
(608) 231-4450 Insurance
George A Fait

Chambers Development
10700 Frankstown Road
Pittsburgh, PA 15235
(412) 242-6237 Waste mgmt, security svcs
John G Rangos Sr

Chemical Fabrics
701 Daniel Webster Highway, PO Box 1137
Merrimack, NH 03054
(603) 424-9000 Specialized fabrics
Duane C Montopoli

Cisco Systems
1525 O'Brien Drive
Menlo Park, CA 94025
(415) 326-1941 Computer network equip
John P Morgridge

Cognex
15 Crawford Street
Needham, MA 02194
(617) 449-6030 Machine vision equip
Robert J Shillman

Cohu
5755 Kearny Villa Road
San Diego, CA 92123
(619) 277-6700 Electronics
James W Barnes

Colonial Cos
PO Box 1365
Columbia, SC 29202
(803) 798-7000 Insurance
Stephen G Hall

Comptek Research
110 Broadway
buffalo, NY 14203
(716) 842-2700 Defense hardware & software
John R Cummings

Computer Data Systems
One Curie Court
Rockville, MD 20850
(301) 921-7000 Data processing svcs
Gordon S. Glenn

Concord Computing
2525 Horizon Lake Drive, Suite 120
Memphis, TN 38133
(901) 371-8000 Transactional equip & svcs
Dan M Palmer

ConferTech International
2801 Youngfield, Suite 240
Golden, CO 80401
(303) 237-5151 Telecon equip & svcs
H Robert Gill

Cordis
14201 NW 60th Avenue
Miami Lakes, FL 33014
(305) 824-2000 Medical equipment
Robert C Strauss

Cosmetic Center
8839 Greenwood Place
Savage, MD 20763
(301) 497-6800 Distributes cosmetics
Mark S Weinstein

CPAC
PO Box 175
Leicester, NY 14481
(716) 382-3223 Photo chems, silver recovery
Thomas N Hendrickson

Cracker Barrel Old Ctry Str
Hartmann Drive
Lebanon, TN 37088
(615) 444-5533 Restaurants & gift shops
Dan W Evins

CSS Industries
1401 Walnut Street
Philadelphia, PA 19102
(215) 569-9900 Paper prods, containers
Jack Farber

Cypress Semiconductor
3901 North First Street
San Jose, CA 95134
(408) 943-2600 Semiconductors
T J Rodgers

Danek Group Inc
3092 Directors Row
Memphis, TN 38131
(901) 396-2695 Spinal implant devices
Ron Pickard

Dataflex
3920 Park Avenue
Edison, NJ 08820
(908) 321-1100 Retails PCs
Richard C Rose

Diagnostek
4500 Alexander Blvd NE
Albuquerque, NM 87107
(505) 345-8080 Pharmacy mail svc
Nunzio P De Santis

Diagnostic Prods
5700 West 96th Street
Los Angeles, CA 90045
(213) 776-0180 Medical diagnostic kits
Sigi Ziering

Digi Intl
6400 Flying Cloud Drive
Eden Prairie, MN 55344
(612) 943-9020 Comm equip & software
John P Schinas

Dionex
501 Mercury Drive
Sunnyvale, CA 94088
(408) 737-0700 Chemical analysis equip
A Blaine Bowman

Dreyer's Grand Ice Cream
5929 College Avenue
Oakland, CA 94618
(415) 652-8187 Ice cream
T Gary Rogers

Duriron
3100 Research Boulevard
Dayton, OH 45420
(513) 226-4000 Chemical process equip
John S Haddick

Duty Free Intl
19 Catoonah Street
Ridgefield, CT 06877
(203) 431-6057 Duty free retail stores
John A Couri

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368 Pleasantview Drive
Lancaster, NY 14086
(716) 684-8060 Environ consult & testing
Gerhard J Neumaier

Electronic Arts
1820 Gateway Drive
San Mateo, CA 94404
(415) 571-7171 Computer games
Lawrence F Probst III

Emcon
400 South El Camino Real, Suite 1200
San Mateo, CA 94402
(415) 375-1522 Waste mgmt eng & consult
Thorley D Briggs

Empi
1275 Grey Fox Road
St Paul, MN 55112
(612) 636-6600 Physical therapy equip
Donald D Maurer

EnClean
6750 West Loop South, Suite 1000
Bellaire, TX 77401
(713) 661-4700 Ind & environ cleaning svcs
Malcolm Waddell

Energy Ventures
5 Post Oak Park, Suite 1760
Houston, TX 77027
(713) 297-8400 Oilfield equip & svcs
Bernard J Duroc-Danner

Fastenal
2001 Theurer Boulevard
Winona, MN 55987
(507) 454-5374 Retails fasteners
Robert A Kierlin

Fiserv
2152 South 114th Street
Milwaukee, WI 53227
(414) 546-5000 Computer services for banks
George D Dalton

Forest Labs
150 East 58th Street
New York, NY 10155
(212) 421-7850 Pharmaceuticals
Howard Solomon

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(415) 378-2000 Fund management
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6608 Hollywood Boulevard
Los Angeles, CA 90028
(213) 466-5151 Retail & mail order apparel
George W Townson

Frontier Insurance Group
196 Broadway, PO Box 5016
Monticello, NY 12701
(914) 796-2100 Specialty prop & casualty ins
Walter A Rhulen

Frozen Food Express Inds
PO Box 655888
Dallas, TX 75265
(214) 428-7661 Trucking perishable commods
Stoney M Stubbs Jr

Gainsco
PO Box 2933
Fort Worth, TX 76113
(817) 336-2500 Property & casualty insurance
Joseph D Macchia

Geodynamics
5520 Ekwill Street
Santa Barbara, CA 93111
(805) 964-9905 Defense & intell software
Robert L Paulson

Geonex
150 Second Ave North, 12th Floor
St Petersburg, FL 33701
(813) 823-3300 Mapping & site analysis
Harold F Flynn

Geraghty & Miller
125 East Bethpage Road
Plainview, NY 11803
(516) 349-7600 Groundwater resource mgmt
David W Miller

CR Gibson
32 Knight Street
Norwalk, CT 06856
(203) 847-4543 Gift & stationery prods
Frank A Rosenberry

Goal Systems
7965 North High Street
Columbus, OH 43235
(614) 888-1775 Data center mgmt
David C Wetmore

Grist Mill
21340 Hayes Avenue
Lakeville, MN 55044
(612) 469-4981 Grain based cereals & snacks
Ronald K Zuckerman

Group 1 Software
6404 Ivy Lane
Greenbelt, MD 20770
(301) 982-2000 Marketing & mailing software
Robert S Bowen

Gundle Environmental Systems
19103 Gundle Road
Houston, TX 77073
(713) 443-8564 Liners for hazard waste ctrl
David S Eakin

Hach
5600 Lindbergh Drive, PO Box 389
Loveland, CO 80539
(303) 669-3050 Water analysis equip & chems
Kathryn C Hach

Haemonetics
400 Wood Road
Braintree, MA 02184
(617) 848-7100 Blood reinfusion equip
John F White

Handex Environ Recovery
500 Campus Drive
Morganville, NJ 07751
(908) 536-8500 Oil tank pollution ctrl svcs
Curtis L Smith Jr

HealthCare Compare
3200 Highland Avenue
Downers Grove, IL 60515
(708) 719-9000 Health ind finl & mgmt svcs
James C Smith

Heartland Express
2777 Heartland Drive
Coralville, IA 52241
(319) 645-2728 Trucking
Russell A Gerdin

Home Nutritional Svcs
PO Box 243
Parsippany, NJ 07054
(201) 515-4900 Home based intraven therapy
Kent H Kerkhof

Hooper Holmes
170 Mount Airy Road
Basking Ridge, NJ 07920
(908) 766-5000 Health info & healthcare svcs
James M McNamee

ILC Technology
399 Java Drive
Sunnyvale, CA 94089
(408) 745-7900 Laser & fiber optics equip
Henry C Baumgartner

Insituform Mid-America
17988 Edison Avenue
Chesterfield, MO 63005
(314) 532-6137 Pipe, sewer & conduit repair
Jerome Kalishman

Intl Dairy Queen
5701 Green Valley Drive
Minneapolis, MN 55437
(612) 830-0200 Fast-food restaurants
Michael P Sullivan

Intl Recovery
700 South Royal Poinciana Boulevard
Miami Springs, FL 33166
(305) 884-2001 Plane refueling, waste recov
Ralph R Weiser

Intertrans
125 E John Carpenter Freeway, Suite 900
Irving, TX 75062
(214) 830-8888 Intl freight forwarding
Sam N Wilson

Isco
4700 Superior Street
Lincoln, NE 68504
(402) 464-0231 Precision instruments
Robert W Allington

J&J Snack Foods
6000 Central Highway
Pennsauken, NJ 08109
(609) 665-9533 Snack foods & beverages
Gerald B Shreiber

Jean Philippe Fragrances
551 Fifth Avenue
New York, NY 10176
(212) 983-2640 Mkts clones of designer frag
Jean Madar

Kasler
27400 East 5th Street
Highland, CA 92346
(714) 884-4811 Industrial construction
E Robert Ferguson

Kaydon
19329 US 19 North
Clearwater, Fl 34624
(813) 531-1101 Bearings, filtration prods
Lawrence J Cawley

Keane
Ten City Square
Boston, MA 02129
(617) 241-9200 Computer svcs & systems
John F Keane

Kent Electronics
5600 Bonhomme Road
Houston, TX 77036
(713) 780-7770 Distrib electronic prods
Morrie K Abramson

Kentucky Medical Ins
PO Box 35880
Louisville, KY 40232
(502) 339-5700 Medical liability insurance
Steven L Salman

Kirby
1775 St James Pl, Suite 300, PO Box 1745
Houston, TX 77056
(713) 629-9370 Barge trans, diesel repair, ins
George A Peterkin Jr

Koll Management Svcs
4343 Von Karman Avenue
Newport Beach, CA 92660
(714) 833-9360 Real estate management
Ray Wirta

Landauer
2 Science Road
Glenwood, IL 60425
(708) 755-7000 Radiation monitoring svcs
Thomas M Fulton

Landmark Graphics
16001 Park Ten Place, Suite 350
Houston, TX 77084
(713) 578-4200 Computerized oil explor equip
C Eugene Ennis

Laser Precision Corp
32242 Paseo Adelanto, Suite A
San Juan Capistrano, CA 92693
(213) 277-5162 Precision instruments
C Fredrick Sehnert

Lawter Intl
990 Skokie Boulevard
Northbrook, IL 60062
(708) 498-4700 Printing inks & resins
Daniel J Terra

Lechters
One Cape May Street
Harrison, NJ 07029
(201) 481-1100 Specialty retail
Donald Jonas

P Leiner Nutritional Prods
1845 W 205th Street
Torrance, CA 90501
(213) 328-9610 Vitamins & nutritional supls
Michael Leiner

Lindsay Manufacturing
PO Box 156
Lindsay, NE 68644
(402) 428-2131 Electrical irrigation sys
Gary D Parker

Linear Technology
1630 McCarthy Boulevard
Milpitas, CA 95035
(408) 432-1900 Integrated circuits
Robert H Swanson Jr

Liuski Intl
10 Hub Drive
Melville, NY 11747
(516) 454-8220 Distrib, mfg PC equip
Hsing (Morries) Y Liu

LXE
303 Research Drive
Norcross, GA 30092
(404) 447-4224 Transac-process comm equip
John E Pippin

Magma Power
11770 Bernardo Plaza Court, Suite 366
San Diego, CA 92128
(619) 487-9412 Geothermal energy
Andrew W Hoch

Mail Boxes Etc
5555 Oberlin Drive
San Diego, CA 92121
(619) 452-1553 Private postal & business svcs
Anthony W DeSio

Matrix Services
10701 East Ute Street
Tulsa, OK 74116-1517
(918) 838-8822 Oil refining maint
Doyl D West

Maxim Integrated Prods
120 San Gabriel Drive
Sunnyvale, CA 94086
(408) 737-7600 Integrated circuits
John F Gifford

MBIA
113 King Street
Armonk, NY 10504
(914) 273-4545 Municipal bond insurer
William O Bailey

McGrath RentCorp
2500 Grant Avenue
San Lorenzo, CA 94580
(415) 276-2626 Sells & leases modular offices
Robert P McGrath

MedChem Prods
232 West Cummings Park
Woburn, MA 01801
(617) 938-9328 Medical prods
David A Swann

Medicine Shoppe Intl
1100 North Lindbergh Boulevard
St Louis, MO 63132
(314) 993-6000 Franchised pharmacies
David A Abrahamson

Medstat Systems
777 E Eisenhower Parkway, Suite 500
Ann Arbor, MI 48108
(313) 996-1180 Software for health care ind
Ernest G Ludy

Merchants Group
250 Main Street
Buffalo, NY 14202
(716) 849-3333 Insurance
James F Marino

Mestek
260 North Elm Street
Westfield, MA 01085
(413) 568-9571 Climate ctrl equip, env svcs
John E Reed

Methode Electronics
7444 West Wilson Avenue
Chicago, Il 60656
(708) 867-9600 Electronic equip
William J McGinley

Micro Healthsystems
414 Eagle Rock Avenue
West Orange, NJ 07052
(201) 731-9252 Software for health care ind
Salvatore M Caravetta

Micros Systems
12000 Baltimore Avenue
Beltsville, MD 20705
(301) 490-2000 Transaction processing equip
Reay Sterling Jr

Mid-American Waste Systems
1006 Walnut Street
Canal Winchester, OH 43110
(614) 833-9155 Solid waste disposal svcs
Christopher L White

Modern Controls
7500 Boone Avenue North
Minneapolis, MN 55428
(612) 493-6370 Test instruments
William N Mayer

Moorco Intl
2700 Post Oak Blvd, Suite 2400
Houston, TX 77056
(713) 993-0999 Fluid meters & valves
George A Ciotti

Mylex
34551 Ardenwood Boulevard
Fremont, CA 94555
(510) 796-6100 PC motherboards & cards
M Akram Chowdry

NAC Re
One Greenwich Plaza, PO Box 2568
Greenwich, CT 06836
(203) 622-5200 Prop & casualty reinsurance
Ronald L Bornhuetter

Nature's Sunshine Prods
PO Box 1000
Spanish Fork, UT 84660
(801) 798-9861 Nutri & personal care prods
Alan D Kennedy

Nellcor
25495 Whitesell Street
Hayward, CA 94545
(510) 887-5858 Patient-monitoring instr
C Raymond Larkin Jr

Neutrogena
5760 West 96th Street
Los Angeles, CA 90045
(213) 642-1150 Specialty soaps
Lloyd E Cotsen

Nichols Institute
33608 Ortega Highway
San Juan Capistrano, CA 92690
(714) 661-8000 Clinical testing svcs
Albert L Nichols

Nichols Research
4040 South Memorial Parkway
Huntsville, AL 35802
(205) 883-1140 Technical svcs for defense
Chris H Horgen

OEA
PO Box 10488
Denver, CO 80210
(303) 693-1248 Airbag propellants & equip
Ahmed D Kafadar

Offshore Logistics
224 Rue De Jean
Lafayette, LA 70508
(318) 233-1221 Transport svcs for oilfield ind
James B Clement

OI
Graham Road at Wellborn, PO Box 2980
College Station, TX 77841
(409) 690-1711 Precision instruments
William W Botts

Osmonics
5951 Clearwater Drive
Minnetonka, MN 55343
(612) 933-2277 Filtration equip
D Dean Spatz

Paychex
911 Panorama Trail South
Rochester, NY 14625
(716) 385-6666 Payroll accounting svcs
B Thomas Golisano

PDA Engineering
2975 Redhill Avenue
Costa Mesa, CA 92626
(714) 540-8900 Mechanical eng software
Louis A Delmonico

Penril Datacomm Networks
1300 Quince Orchard Blvd
Gaithersburg, MD 20878
(301) 417-0552 Test & data comm equip
Henry David Epstein

Pentech Intl
2 Ethel Road
Edison, NJ 08817
(908) 287-6640 Writing instruments
Norman Melnick

Pharmacy Management Svcs
3611 Queen Palm Drive
Tampa, FL 33619
(813) 626-7788 Health cost containment svcs
Cecil S Harrell

Plains Petroleum
12596 West Bayaud Avenue, Suite 400
Lakewood, CO 80228
(303) 969-9325 Oil & gas expl, devel & prod
James A Miller

Psicor
16818 Via Del Campo Court
San Diego, CA 92127
(619) 485-5599 Heart surgery equip & svcs
Michael W Dunaway

Rainbow Technologies
9292 Jeronimo Road
Irvine, CA 92718
(714) 454-2100 Computer security prods
Walter W Straub

Raven Industries
PO Box 1007
Sioux Falls, SD 57117
(605) 336-2750 Electron, plastics, sewn prods
David A Christensen

Raymond James Financial
880 Carillon Parkway
St Petersburg, FL 33716
(813) 573-3800 Securities brokerage
Thomas A James

RehabCare
112 South Hanley Road
St Louis, MO 63105
(314) 863-7422 Devel & manages rehab clinics
James M Usdan

Research Inds
6864 South 300 West
Midvale, UT 84047
(801) 562-0200 Disposable cardiovasc prods
Gary L Crocker

Respironics
1001 Murry Ridge Drive
Murrysville, PA 15668
(412) 373-8114 Respiratory medical prods
Gerald E McGinnis

Rexon
1334 Park View Avenue, Suite 200
Manhattan Beach, CA 90230
(213) 545-4441 Computer equip
Michael O Preletz

St Jude Medical
One Lillehei Plaza
St Paul, MN 55117
(612) 483-2000 Mechanical heart valves
Lawrence A Lemkuhl

Sbarro
763 Larkfield Road
Commack, NY 11725
(516) 864-0200 Italian restaurants
Mario Sbarro

SCOR US
110 William Street
New York, NY 10038
(212) 513-1777 Property & casualty reinsur
Patrick Peugeot

Sealright
7101 College Boulevard, Suite 1400
Overland Park, KS 66210
(913) 344-9000 Food & dairy packaging
Marvin W Ozley

SEI
680 E Swedesford Road
Wayne, PA 19087
(215) 254-1000 Info svcs for money managers
Alfred P West Jr

Seitel
16010 Barker's Point Lane, Suite 550
Houston, TX 77079
(713) 558-1990 Mkts seismic data to oil cos
Herbert M Pearlman

Sensormatic Electronics
500 Northwest 12th Avenue
Deerfield Beach, FL 33442
(305) 427-9700 Electronic surveillance equip
Ronald G Assaf

Serv-Tech
4115 Old Galveston Road
Houston, TX 77017
(713) 644-9974 Maintains oil & chem plants
Richard W Krajicek

Sierra Tucson Cos
16500 N Lago Del Oro Pkwy
Tucson, AZ 85737
(602) 792-5800 Substance abuse rehab cntrs
William T O'Donnell Jr

Solectron
2001 Fortune Drive
San Jose, CA 95131
(408) 942-1943 Printed circuit boards
Winston H Chen

Spaghetti Warehouse
6120 Aldwick Drive
Garland, TX 75043
(214) 226-6000 Italian restaurants
Louis P Neeb

Span America Medical Systems
PO Box 5231
Greenville, SC 29606
(803) 288-8877 Foam pads for health care
Donald C Spann

Spartan Motors
1000 Reynolds Road
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(517) 543-6400 Specialized heavy duty trucks
George W Sztykiel

SPI Pharmaceuticals
3300 Hyland Avenue
Costa Mesa, CA 92626
(714) 545-0100 Pharmaceuticals
Milan Panic

State Auto Financial
518 East Broad Street
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(614) 464-5000 Auto & homeowner insur
Robert L Bailey

State Of The Art
56 Technology
Irvine, CA 92718
(714) 753-1222 PC accounting software
David S Samuels

Structural Dynamics Res
2000 Eastman Drive
Milford, OH 45150
(513) 576-2400 CAE software & svcs
Ronald J Friedsam

Stryker
2725 Fairfield Road
Kalamazoo, MI 49002
(616) 385-2600 Powered surgical instruments
John W Brown

Sullivan Dental Prods
10920 West Lincoln Avenue
West Allis, WI 53227
(414) 321-8881 Dental supplies & equip
Robert J Sullivan

Sun Television & Appl
1583 Alum Creek Drive
Columbus, OH 43209
(614) 445-8401 Retails consumer electronics
Macy T Block

Surgical Care Affiliates
102 Woodmont Boulevard, Suite 610
Nashville, TN 37205
(615) 385-3541 Outpatient surgical centers
Joel C Gordon

Symix Systems
2800 Corporate Exchange Dr, Suite 400
Columbus, OH 43231
(614) 523-7000 Financial mgmt software
Lawrence J Fox

T2 Medical
1121 Alderman Drive
Alpharetta, GA 30202
(404) 442-2160 Home care infusion therapy
Thomas E Haire

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614 McKinley Place NE
Minneapolis, MN 55413
(612) 379-8854 Clinical diagnostic equip
Thomas E Oland

Tekelec
26580 West Agoura Road
Calabasas, CA 91302
(818) 880-5656 Communications test equip
Peter N Vicars

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25231 Grogans Mill Road, Suite 100
The Woodlands, TX 77380
(713) 367-1983 Waste recyc & treatment svcs
Michael L Jeane

Thermo Instrument Sys
504 Airport Road
Santa Fe, NM 87504
(505) 471-3232 Pollution detect equip
Arvin H Smith

Tootsie Roll Industries
7401 South Cicero Avenue
Chicago, IL 60629
(312) 838-3400 Candy
Melvin J Gordon

Total System Services
PO Box 1755
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(404) 649-2204 Bankcard data process svcs
Richard W Ussery

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30195 Chagrin Boulevard
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(216) 831-5757 Personal care & home prods
Robert S Reitman

Trenwick Group
Metro Center, One Station Place
Stamford, CT 06902
(203) 353-5500 Property & casualty reinsur
James F Billet Jr

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17101 Armstrong Avenue, Suite 200
Irvine, CA 92714
(714) 250-4092 Healthcare eval svcs
Stephen F Bullock

Tseng Labs
10 Pheasant Run - Newtown Commons
Newtown, PA 18940
(215) 968-0502 Graphics cards for PCs
Jack Tseng

Utah Medical Products
7043 South 300 West
Midvale, UT 84047
(801) 566-1200 Critical care medical prods
William Dean Wallace

Utilx
22404 66th Avenue South
Kent, WA 98032
(206) 395-0200 Cable & pipe installer
John R Potter

Value Merchants
710 North Plankinton Avenue
Milwaukee, WI 53203
(414) 274-2575 Wholesales closeout toys
Steven J Appel

Vencor
Brown & Williamson Tower, Suite 700
Louisville, KY 40202
(502) 569-7300 Hospitals for chronically ill
W Bruce Lunsford

VeriFone
Three Lagoon Drive, Suite 400
Redwood City, CA 94065
(415) 591-6500 Transaction automation sys
Hatim A Tyabji

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PO Box 1277
Kilgore, TX 75662
(903) 984-0555 Grnd station satellite anten
J Rex Vardeman

Vicor
23 Frontage Road
Andover, MA 01810
(508) 470-2900 Electric power systems
Patrizio Vinciarelli

Vital Signs
20 Campus Road
Totowa, NJ 07512
(201) 790-1330 Anesthesia & respiratory prods
Terence D Wall

Werner Enterprises
PO Box 37308
Omaha, NE 68137
(402) 895-6640 Trucking
Clarence L Werner

X-Rite
3100 44th Street SW
Grandville, MI 49418
(616) 534-7663 Quality control instruments
Ted Thompson

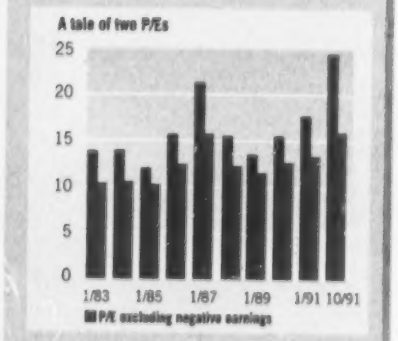
James Engle, portfolio manager of the $30 million (assets) Neuwirth Fund, is investing in two industries that are perceived as being depressed—natural gas and financial services. Engle likes gas producers selling below the value of their proven reserves, such as Dorchester Hugoton and Plains Petroleum.

As for banks, Engle favors two smallish Colorado banks—Affiliated Bankshares of Colorado and Colorado National Bankshares—that have survived the banking industry's problems. Both show declines in nonperforming assets and pay a small dividend. (Affiliated restored its dividend earlier this year.) "When is the last time you heard of a bank establishing, not reducing or omitting, a dividend?" asks Engle.

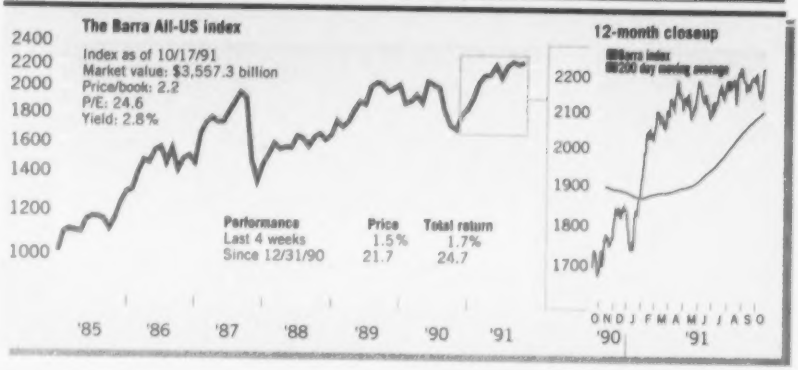
Even though two Dow stocks—AT&T and Westinghouse—took poundings, the Dow hit a new high during the two weeks ended Oct. 17.

Special focus

There are two ways to calculate a latest 12-month price/earnings ratio for the Barra All-US index of roughly 5,000 stocks. Barra gets a P/E of 16 by excluding GM, Continental Airlines and 1,900 other firms, which lost a combined $52 billion. Include the losers, and the P/E jumps to 24.6. The gap between the P/E methods is wider than it's been since early 1987. By January 1988 the last big spread was closed by a collapse in stock prices that punished moneymaking companies more than moneylosing ones. It could happen again.



The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	2.1%	31.6%	-0.3%
Sharpe/Barra Growth index[1]	2.0	39.0	-0.6
Sharpe/Barra Value index[2]	2.0	31.9	-0.5
Dow Jones industrials	2.3	24.5	-0.3
S&P 500	1.9	28.2	-1.2
NYSE	1.9	29.2	-0.6
Nasdaq	3.0	60.5	-0.9
Amex	2.2	30.6	-4.0
EAFE[3]	-1.7	3.0	-18.1
CRB index[4,5]	0.9	-5.4	-19.7
Gold[5]	0.7	-3.1	-28.4
Yen[5]	-0.9	4.0	-21.1
Oil[5]	5.7	-34.9	-41.8

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Entertainment Publishing	28 ½	75%	$1.40*	FHP International	12¾	-32%	$1.59*
State Of The Art	11 ⅞	40	0.54	SynOptics Communications	15⅜	-27	1.74
EMC	8 ⅞	37	0.54	Lowe's Cos	24⅞	-25	1.81
Lattice Semiconductor	13 ¼	31	0.89	IPL Systems	17½	-24	1.80
Organogenesis	17 ½	30	NA	Westinghouse Electric	17⅛	-23	1.86

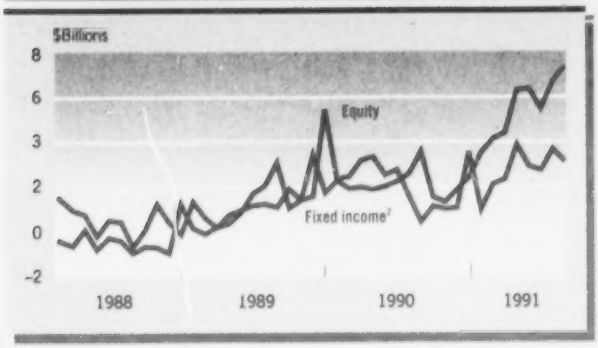
The best and worst performing industry factors[4,8]

Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Air transport	10.4%	13.6%	Beverages	4.4%	34.9%
Photographic, optical	8.2	1.7	Apparel, textiles	3.3	12.5
Aluminum	7.8	8.1	Leisure, luxury	1.9	36.1
Water transport	6.4	33.5	Thrifts	1.8	38.2
Coal, uranium	6.2	-0.2	Misc finance	1.4	2.0

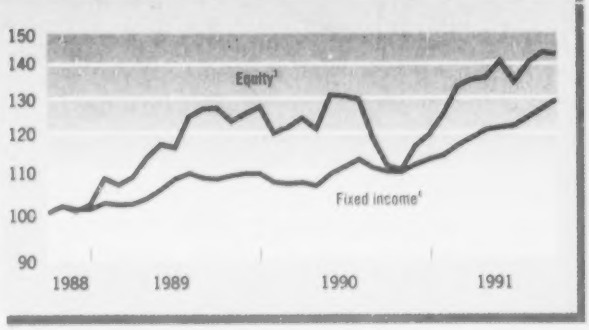
Note: Data for period ending 11/17/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of a portfolio of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. *1992 estimate. Principal source: Barra, Inc.,

BY TINA RUSSO McCARTHY

Sales



Performance



So far this year investors have poured $44 billion into fixed-income funds and $22 billion into stock funds. Not coincidentally, both stocks and bonds are getting much more expensive. There's a positive feedback going on here. Stock funds tend to attract assets after a period in which they have done well—after stocks have gotten expensive, that is. Bond funds get popular in times like the present, when interest rates are declining and bond prices are rising. Meanwhile, buying pressure, brought on by the influx of money into both kinds of funds, is contributing to higher prices for stocks and bonds.

Will the self-reinforcing expansion last much longer? Probably not. The overall stock market is selling for a hefty 24 times latest 12-month earnings (see previous page) and the economic recovery is still sputtering. And when the economy does start to heat up, interest rates could climb. This would be bad news for long-term bond funds.

Two of the best bond funds during the last five years—Benham Target Maturities 2005 and Vanguard Fixed Income-GNMA—invest in long-term government-backed securities. Junk bond funds have recovered somewhat from their lows following the collapse of Drexel Burnham Lambert but they remain among the poorest long-term performers. Among the hottest equity funds during the latest stock market cycle (August 1987 to September 1991) were sector funds such as Fidelity Select-Health Care and Fidelity Select-Utilities. But sector funds focusing on gold and precious metals took a beating.

The best performers

Fund	Forbes rating up	Forbes rating down	Cycle[6] return	Total[7] return
Equity[5]				
Fidelity Select-Health Care	A+	D	79.9%	19.9%
Bergstrom Capital	A	A	67.4	19.7
Berger One Hundred	A	D	81.7	19.6
Fidelity Contrafund	A+	D	57.5	15.3
Fidelity Growth	A	D	59.1	14.6
CGM Capital Development	A+	B	98.5	13.8
Fidelity Select-Utilities	D	A	23.0	13.8
Financial Industrial Income	B	B	44.5	13.6
AIM Equity-Charter Fund	B	C	36.2	11.7
AIM Equity-Weingarten Fund	A+	D	42.2	11.5
Fixed income				
Benham Target Maturities-2005	A+	F	31.7	17.6
Transamerica Income Shares	A	B	19.9	11.4
USAA Mutual-Income Shares	A	C	19.5	10.5
Vanguard Fixed Income-GNMA	A	C	16.7	10.1
Smith Barney-US Government	A	D	16.7	10.0

The worst performers

Fund	Forbes rating up	Forbes rating down	Cycle[6] return	Total[7] return
Equity[5]				
Strategic Investments Fund	D	F	-29.2%	-22.7%
United Services-Gold Shares	D	D	-18.2	-15.0
ASA Limited	C	D	-24.3	-14.7
Bull & Bear Gold Investors	F	F	-13.0	-12.0
Fidelity Select-Precious Metals & Mins	D	D	-11.4	-11.3
Keystone Precious Metals	D	D	-7.5	-10.7
United Services-Global Resources	D	D	-2.6	-10.3
Lexington Goldfund	D	D	-16.5	-9.9
Van Eck International Investors	C	D	-10.2	-8.7
Vanguard Special-Gold & Precious	D	C	-4.3	-7.2
Fixed income				
Pilgrim S-T Multi-Markets Income	F	C	6.9	-4.9
Dean Witter High Yield Securities	B	F	15.8	-1.8
Alliance Bond-High Yield	C	D	27.3	1.0
Keystone Custodian B-4	C	D	18.3	1.7
First Investors High-Yield Fund	D	D	17.0	1.8

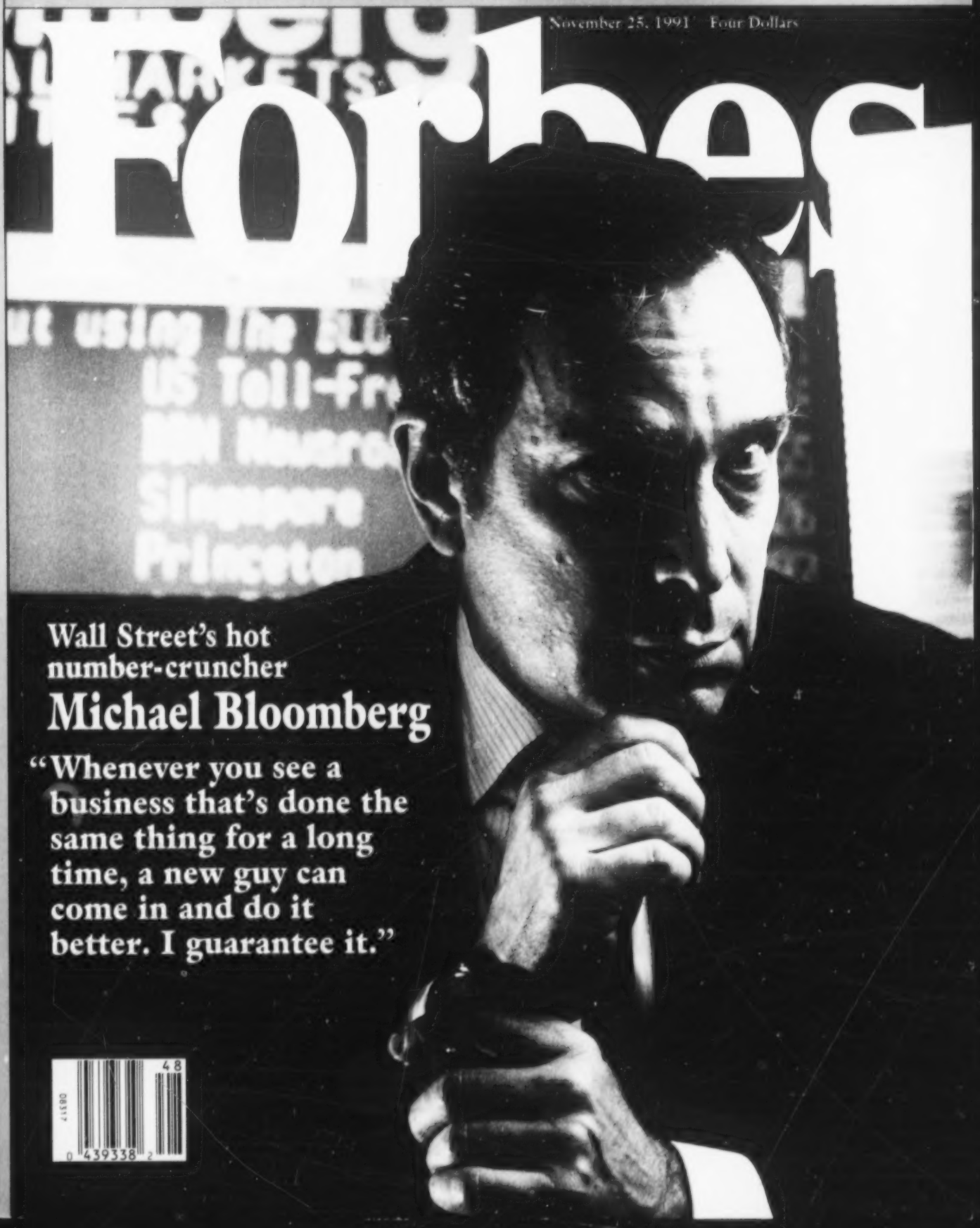
Note: To be rated, equity funds must be in existence since 6/30/83; taxable bonds 9/30/86, junk bonds 2/28/87. [1]Monthly net sales of open-end funds. Net sales are purchases by investors, including reinvested dividends, less redemptions. [2]Includes tax-free and foreign bond funds. Source: Investment Co. Institute. [3]Index of total return for the 25 largest stock funds in 1986. [4]Index of total return for the 25 largest taxable bond funds in 1986. [5]Includes balanced funds. [6]Total return (annualized), for one market cycle: equity, 8/31/87 to 9/30/91; bonds, 9/30/86 to 9/30/91. [7]Latest twelve months through 9/30/91.

Revenge of the odd-lotters: How amateur investors beat the pros

Taxing the economy into stagnation

November 25, 1991 Four Dollars

Forbes



Wall Street's hot number-cruncher

Michael Bloomberg

"Whenever you see a business that's done the same thing for a long time, a new guy can come in and do it better. I guarantee it."

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Bells, whistles, pizzazz made Michael Bloomberg $600 million.
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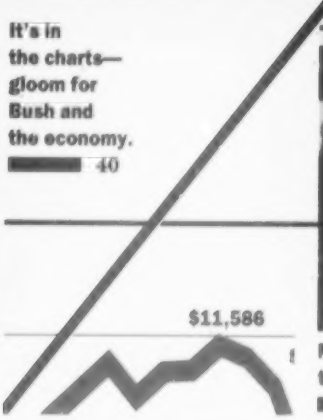

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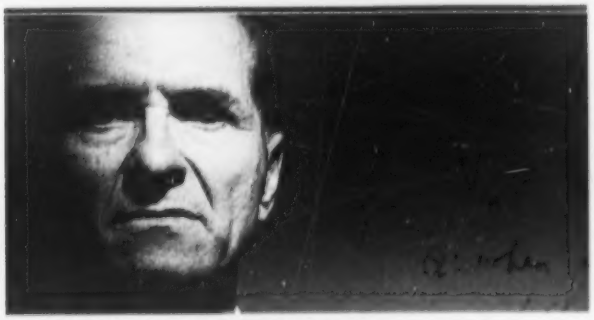

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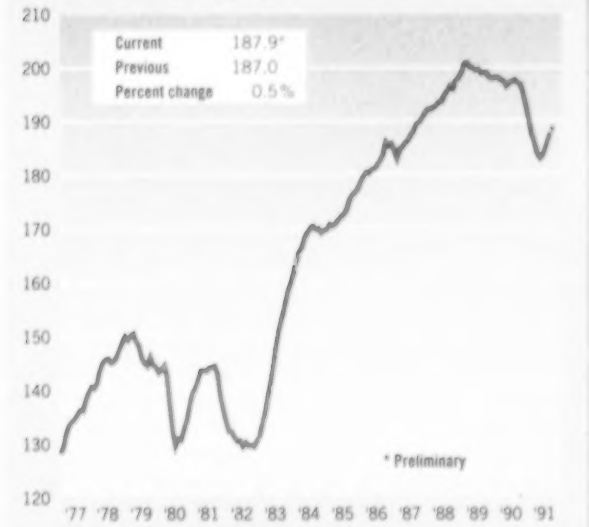
THE FORBES INDEX

BY TIMOTHY DODMAN



The initial estimate showing real growth in the gross national product at a 2.4% (annualized) rate in the third quarter does not mean this economy is out of the woods. By comparison to most other economic recoveries since World War II, this is very slow growth. Moreover, there is abundant evidence that many Americans doubt the recession is really over. The Conference Board, a New York nonprofit business organization, says its Index of Consumer Confidence, measured in October, is near the last low point it reached, during the 1982 recession.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.0%
Auto sales year to date vs 1990[1]	Ward's Automotive	-12.1%
Index of leading indicators Sept vs Aug	Dept of Commerce	-0.1%
Trade balance 12 months ended Aug 1991	Dept of Commerce	-$78 bil
All-commodity producer price index Sept vs Aug[2]	Dept of Labor	-0.3%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	2.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.3%

[1] U.S.-based manufacturers, excludes imports, as of 10/20/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

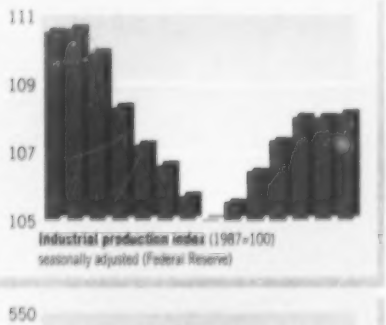
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

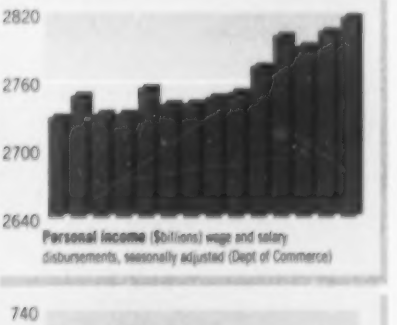
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

A S O N D J F M A M J J A S A S O N D J F M A M J J A S A S O N D J F M A M J J A S

In the past three years rising federal and local taxes have begun to cancel out the tax cuts of the Reagan years. This is bad news for political incumbents and equally bad news for the U.S. economy.

Backsliding on taxes

By Peter Brimelow

AMERICANS FACE A long year of electoral econobabble. If that isn't pain enough, they also face a pretty weak economy. FORBES offers the following chart portfolio in the belief that a picture is worth a thousand words—and a million numbers.

FORBES' charts focus not on nebulous aggregates but on the experience of individual American taxpayers. And they place this experience in perspective—over time, against trend and, where appropriate, as a share of the total economy.

The overall conclusion of these charts is disturbing. A decade ago American taxpayers faced crisis. It was staved off. Now it seems to be returning. For most taxpayers, the Bush era has been the equivalent of the Ford and early Carter years. Is this where we came in? (Yes, if spending lobbies like the AARP staff have anything to do with it. See page 89.)

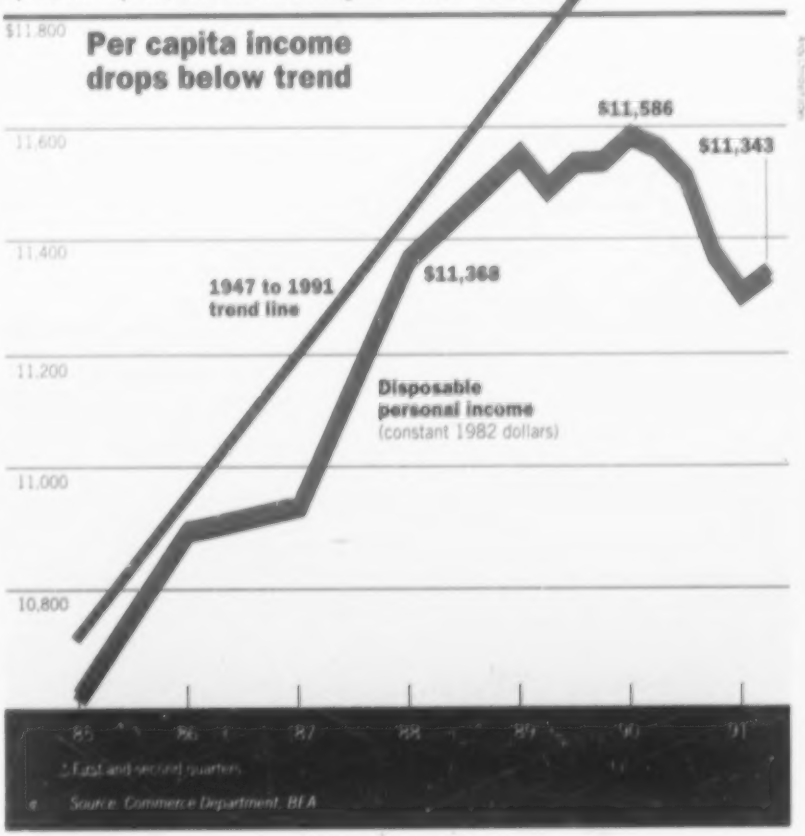
In recent weeks Washington has been wittering about a relatively obscure economic statistic: inflation-adjusted disposable income per capita. This message about conditions out there in the boondocks has penetrated the Beltway consciousness because of the realization that, since World War II, no party has retained the White House if in the election year per capita real disposable income has failed to grow by at least 2.9%.

Per capita disposable income has actually been falling recently. And the consensus of leading forecasters assembled by the Blue Chip Economic Indicators service suggests growth in 1992 will be not more than about 2.4%. Bad news for incumbents.

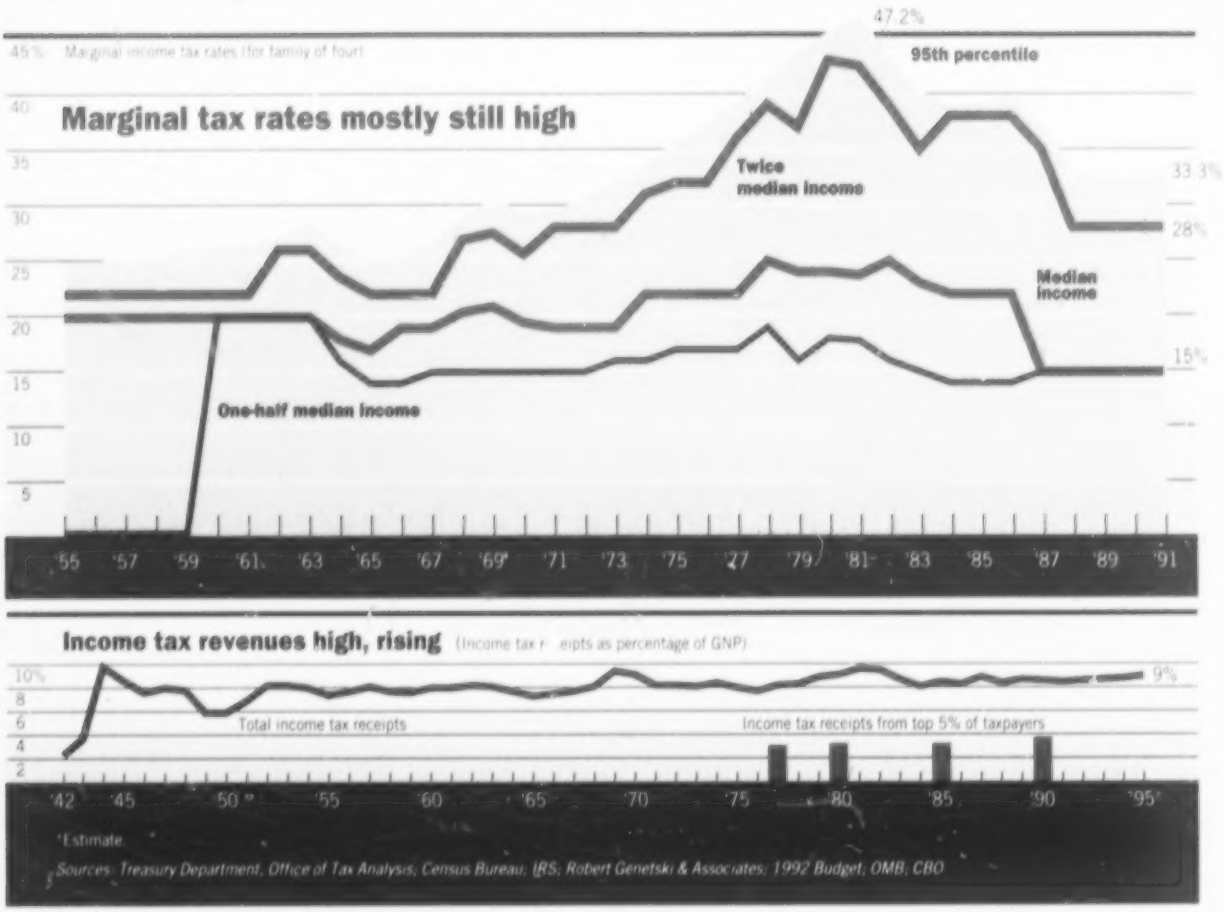
FORBES' chart reveals the full extent to which the individual American has been Bushwhacked—or, to be strictly accurate, whacked during George Bush's presidency but not necessarily by Bush. By the end of the Reagan years, income growth was closely tracking its long-term annual compound growth rate of 2%. But since then it has fallen steadily away.

The inexorable consequence of this math: Even if the Bush men hit their magic number in 1992, per capita disposable income will still be distinctly below trend. Americans may just be able to say they are better off than four years earlier. But they will be less better off than they might have anticipated.

Real disposable income is affected by recession, as people lose their jobs, by interest rate changes and other factors, including direct taxes. And there are clear signs that in the Bush years all these have started back up, federally and on the state and local level. Thus the increased social insurance contributions imposed on high-income earners



Even a strong election year rebound won't repair the damage.



Federal marginal rate cuts in the 1980s only offset increases in the 1970s. Income tax revenues remained at historic highs. Now both are rising again.

by the 1990 federal budget compromise helped to reduce total disposable income by about 0.3% in 1991.

The marginal rate of income tax (above) is that charged on the next dollar earned. It is what the taxpayer must think about when deciding whether to work more or go fishing.

(Note carefully: Usually, the marginal rate is *not* the same as the average rate—the overall proportion of the taxpayer's income that the government actually extracts. These rates can be the same only in a flat-rate system.)

The Reagan Administration cut marginal tax rates, but FORBES' chart reveals that this only reversed the very sharp unlegislated increases of the 1970s. Runaway inflation meant that, as incomes were raised in nominal terms to retain purchasing power, they ran slap into higher tax brackets—"bracket creep." This did not happen in countries where income taxes were indexed for inflation, like Canada (then).

American families earning twice the median income of approximately $41,000 now face a 28% marginal rate—about the same as the early 1970s, and considered too high even by the Democratic architects of the 1964 Kennedy tax cut. Median income and half median income families have had the beneficial effects of the 1970s better than rolled back. (But remember that within living memory their tax rates were much lower: Half the median income families made it onto the rolls only in 1960, and the income tax bill of a median income family of 4 in 1946—not shown—was the equivalent of just $80.)

Families at the 95th percentile ($100,000) are back to the mid-1970s, not least because of the 1990 rate increase.

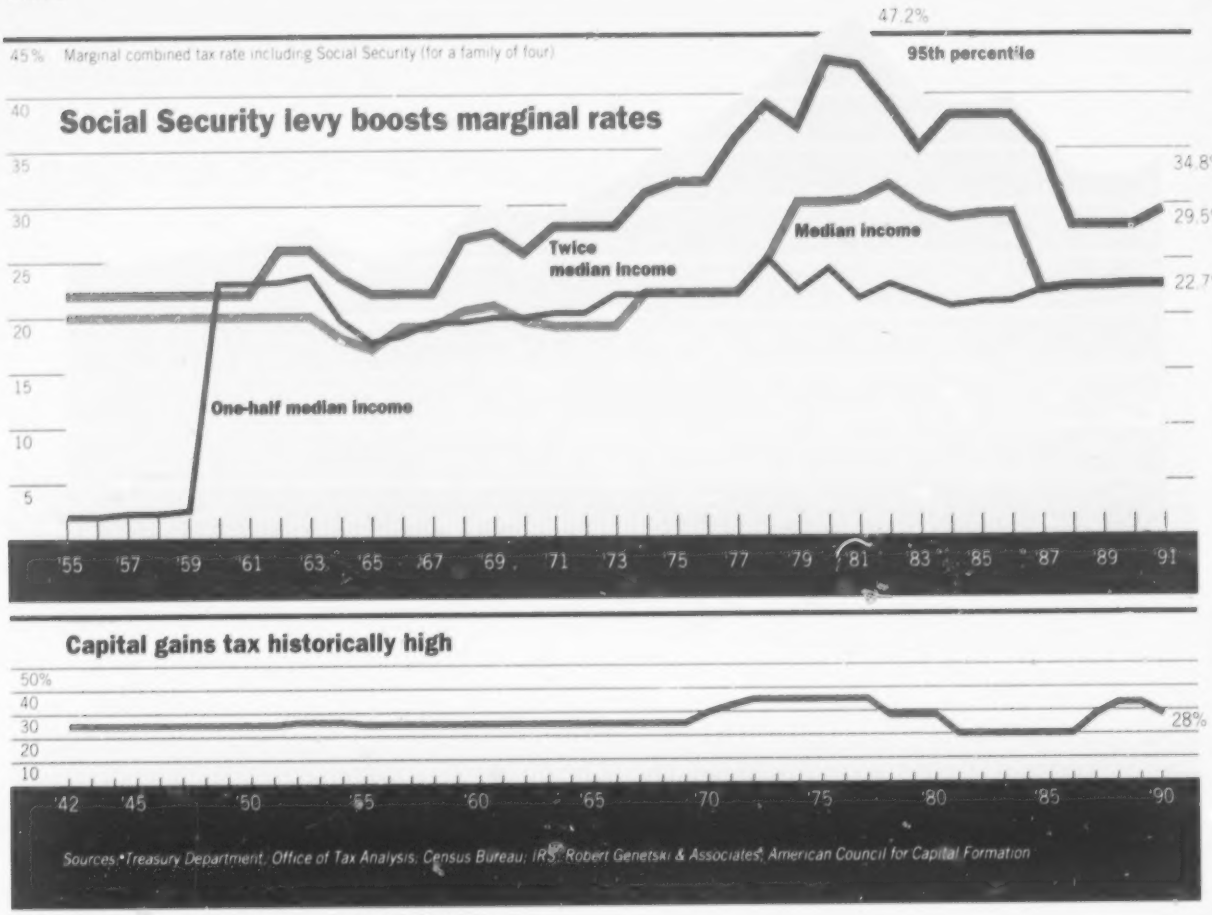
Contrary to myth, the Reagan tax cuts did not produce a collapse in individual federal income tax revenues *(see chart above)*. These continued in excess of 8% of gross national product, consistently above the post-World War II range, although below the bracket-creep peak of the early 1980s, the highest since 1944.

(Note the surge of receipts during WWII. Only at this point did most American families first make the acquaintance of the federal income tax.)

Two factors explain why receipts held up so well when Reagan was cutting marginal rates so sharply.

First: To some extent, the cuts did pay for themselves, just as the more enthusiastic supply-siders predicted. The top 5% of income earners, already contributing 37.5% of income tax receipts in 1977, were even inspired by the lower rates to increase their share an estimated 44.1% in 1990.

Second: Repeated tax code tinker-



Adjusting for Social Security payments sharply increases marginal income tax rates—since 1990, even on higher incomes.

ing after 1981 reduced pretax deductions, increasing taxable income—"broadening the tax base." Marginal rate charts don't capture this.

The Administration now projects income tax receipts will rise to 9% by 1995, canceling out the reduction of the Reagan years.

The Social Security levy (above) is sometimes portrayed as a sort of insurance payment. But in fact it is immediately disbursed to the present generation of recipients. It should be considered as a second, parallel federal income tax. Unlike the income tax, Social Security in 1990 is a flat 7.65% levy on all incomes up to $51,300.

FORBES' chart shows that this substantially increases the marginal rates faced by all except higher-income families, which have already paid their $3,925 maximum (until the 1990 budget compromise, which extended the 1.45% Medicare levy to incomes up to $125,000).

Also unlike the federal income tax, those paying Social Security acquire a statutory right to be reimbursed at an appropriate future point. Arguably, the present value of these reimbursements should be set against the current levy. And since low-income earners stand to gain more than they are now paying, this would make the system appear more progressive. But FORBES ignores this refinement as a bit too arcane for these purposes.

"The tax code is a mess," says Stephen Entin of the Washington, D.C.-based Institute for Research on the Economics of Taxation. "Notwithstanding the Reagan reforms, many people still face historically high marginal rates." And Entin points out that the interaction between the Social Security system and income tax has resulted in many anomalies, such as punitive effective marginal rates on the working elderly and those trying to get off welfare.

"In its blind, groping, monstrous way," says Entin in a tone of clinical interest, "the federal government seems to be subconsciously working toward a flat tax in the 30%-to-40% range."

Experience suggests this is about the highest rate taxpayers will stand still for. After World War II and Korea, U.S. marginal rates ranged up to 91% on extremely high incomes, but these top brackets generated relatively little real revenue. Thus, when Kennedy proposed his tax cuts, the 20% bracket was yielding a monstrous 85% of income tax receipts. All the brackets above 50% yielded only 2%. In 1960 income in the 91% bracket was reported by a mere 205 taxpayers. Excessively high taxes simply generate tax shelters and discourage productive investment.

FORBES' capital gains chart (opposite) records another attempt to extract revenue from wealthier taxpayers. Arguably, a capital gains levy is double taxation, since it falls on the fruits of retained (and previously taxed) earnings. As with income tax, the top marginal capital gains rate has returned to the relatively high levels seen in the 1970s. And unlike income tax, capital gains tax is not indexed for inflation. In effect, it expropriates savings. In another sense it is simply a transaction tax, because it comes due only if the property is sold.

If the federal government subconsciously intends to extract the maximum revenues from taxpayers, it is going to have to compete with the equally monstrous groping of state and local authorities (below). Their spending has risen from 9.7% of GNP in 1960 to above 14% this year. Someone has to pay for it.

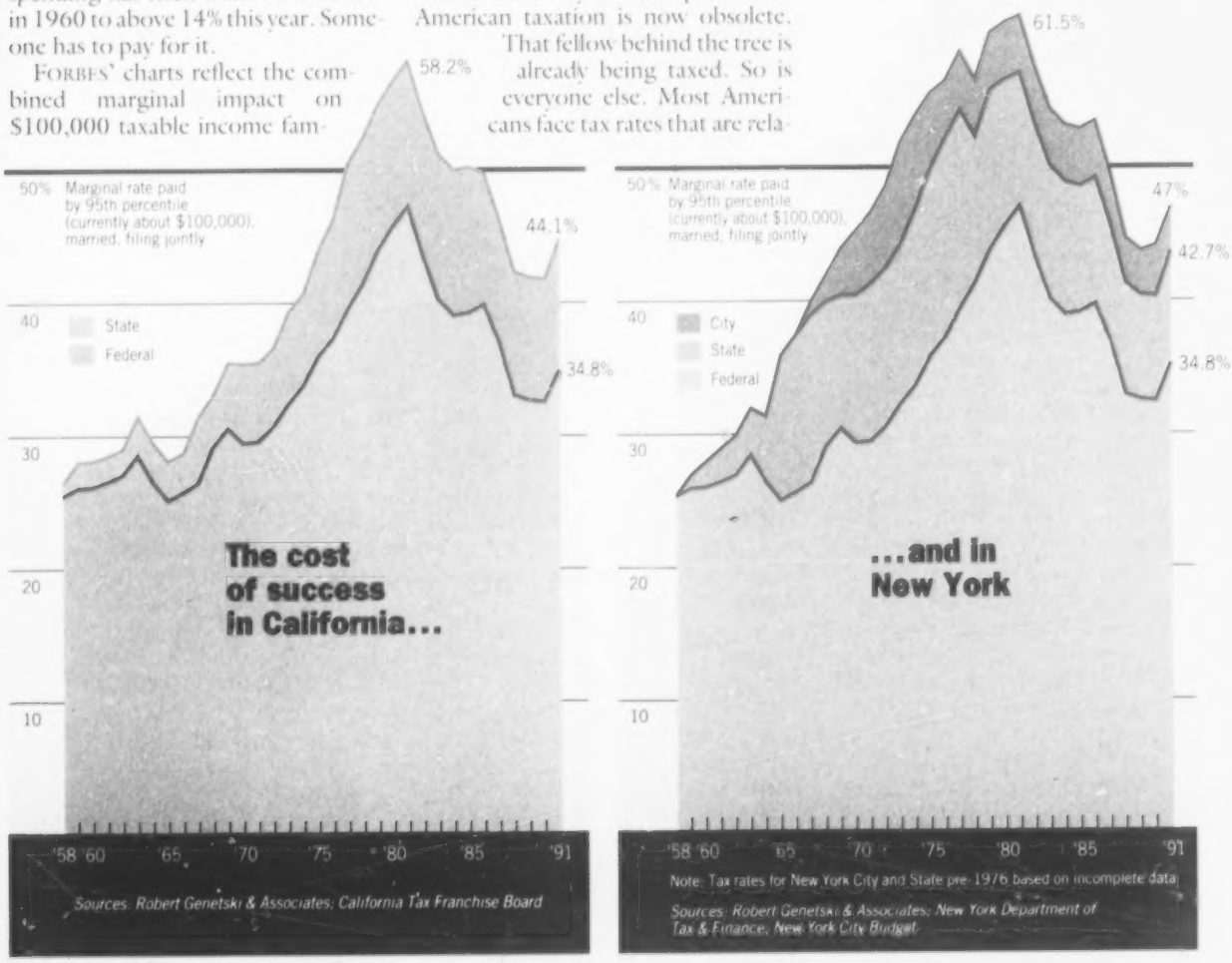
FORBES' charts reflect the combined marginal impact on $100,000 taxable income families in California and New York City. Both benefited from trimming of marginal rates in the 1980s, echoing the federal reforms. But now both are on their way back up. And remember, most state and local taxes, being indirect, don't show up on these charts. California Governor Pete Wilson's 1991 tax hike aimed to raise $7 billion, of which only $1.2 billion came from personal income tax (including an 11% top marginal rate on incomes over $200,000, also not shown).

Result: Both California and New York City now have top marginal rates in excess of welfare-state Britain, which charges a maximum of only 40% on individual incomes above £20,700 ($35,000).

"Don't tax you, don't tax me, tax the fellow behind the tree." This celebrated summary of the politics of American taxation is now obsolete. That fellow behind the tree is already being taxed. So is everyone else. Most Americans face tax rates that are relatively high in the national experience.

This is the inexorable consequence of combined federal, state and local government spending now running at 32.7% of GNP in 1990 (virtually its postwar high). This amount of money simply cannot be raised without taxing the great bulk of the population. As Willie Sutton said about robbing banks: That's where the money is. Even if all incomes over $100,000 could be confiscated—which even the most dogmatic anti-supply-sider must admit would have a terminally disincentive effect—they would still amount to only about 8% of GNP.

Politically, these charts suggest that by historical standards tax rebellion is very close. Economically, they suggest the economy may be headed for the stagnation of the late 1970s. ■



Marginal tax rates on upper income families in California and New York City are far above levels of a generation ago.

A cure for rheumatoid arthritis would be worth billions of dollars. But a cure is an unlikely early outcome for all these immune-system ventures so popular on Wall Street.

The autoimmune gold rush

By Reed Abelson

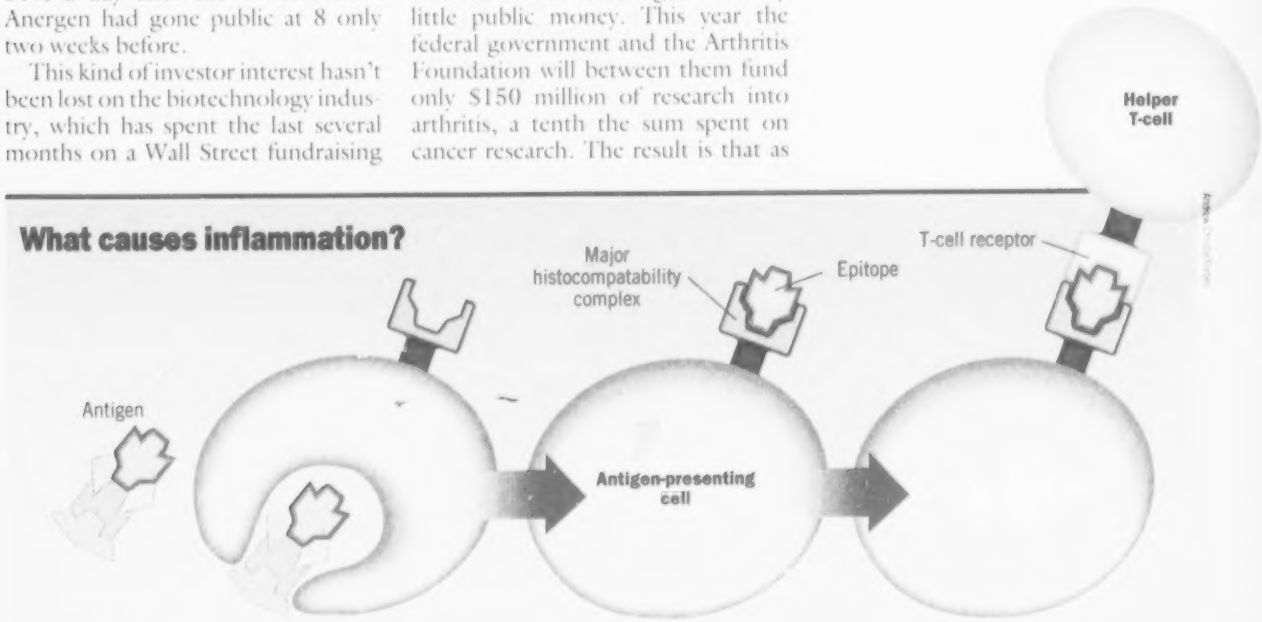
THE MARKET is so itchy for bioengineering stocks that the smallest trigger can set off a massive reaction. A *New York Times* story on Oct. 22 talked about "anergy," a natural state of suppression of the immune response. Achieving this state with drugs may someday be relevant to treatments for arthritis. ImmuLogic Pharmaceutical, briefly mentioned in the article, saw its stock shoot up almost 20% the same day, to close at 16. Anergen, Inc. wasn't mentioned, but investors didn't take long to make a connection, and bid the stock up to 31½ a day after the *Times* article. Anergen had gone public at 8 only two weeks before.

This kind of investor interest hasn't been lost on the biotechnology industry, which has spent the last several months on a Wall Street fundraising spree to finance a search for arthritis cures *(see table, p. 200)*. It seems to be a long shot whether any of these startups will ever deliver a commercially successful drug. But this arthritis gold rush does at least have the side effect of funding basic research into the workings of the body's immune system, the network of cells and antibodies that repel bacteria, viruses and other invaders.

Although 40 million Americans suffer from some form of arthritis, the sufferers don't make the kind of noise victims of some other diseases do. Hence arthritis research gets relatively little public money. This year the federal government and the Arthritis Foundation will between them fund only $150 million of research into arthritis, a tenth the sum spent on cancer research. The result is that as few as one in eight academic research proposals is being funded, according to William Williams, a scientist at the University of Pennsylvania. If the biotech fever on Wall Street trickles down to the laboratory, then it will have done some good even if the early investors get nothing from it.

Arthritis, or joint inflammation, is not one disease but more than 100 different ones, affecting nearly 40 million Americans. The category includes rheumatoid arthritis, osteoarthritis, gout, lupus and ankylosing spondylitis, or spinal arthritis. What many of these ailments have in common is a breakdown of the immune system: The body's defense mechanisms turn against the body's own cells. This friendly fire can cause joint

With the help of the histocompatibility molecule, a cell grabs a telltale snippet of an antigen and presents its distinguishing features, or epitope, to the helper T cell. The latter musters antibodies and killer cells with an all-points alarm.



pain and inflammation, organ damage and even death.

The prototype of the autoimmune joint diseases is rheumatoid arthritis, which strikes almost 1 in 100 people, mostly women, a lot of them still in their 30s and 40s. Up to 20% of those afflicted will become severely crippled—unable to walk or use their hands—within ten years of being diagnosed. Billions of dollars are already being spent treating the disease, very inadequately, with steroids and other drugs. Almost all these drugs wear out their effectiveness, and almost all have severe side effects. They are palliatives, not cures.

Might a cure be found someday, by getting to the cause? Maybe, but scientists are still a long way from fully understanding the cause. Robert Winchester, 55, a Columbia University scientist, has spent much of the last 30 years trying to figure out what causes rheumatoid arthritis, and he is just beginning to get answers. "We found most of the pieces of the jigsaw," he says. "We've turned them over. Now we're in the process of assembling them."

The diagram on page 198 illustrates three big pieces of the jigsaw puzzle: a foreign body, called an antigen; a group of molecules, called the major histocompatibility complex, which act as go-betweens, presenting antigens to defensive cells; and the defensive cells called helper T cells. (The T stands for thymus, a gland where the T cells mature.) When receptors on helper T cells detect either the antigen or a telltale fragment of it, they set off a series of signals that call out attack weaponry, including killer cells and antibodies. The purpose of the defensive mechanism is to rid the body of the antigen. When the system is working, the antigen is a virus or bacterium, and the end result is the death of the invader. When the system goes haywire, the antigen might be a stray molecule or a fragment of the body's own tissue, and the end result is inflammation, pain and swelling.

Dozens of companies are working on intercepting the inflammatory process at various stages, while others aim to derail the whole event before it begins. The problem here is that scientists don't have a clue to what, if any, foreign body or group of foreign bodies causes the immune system to go berserk in a rheumatoid arthritis patient. "The antigen is a total black box," says Peter Gregersen, a researcher at North Shore University Hospital in Manhasset, N.Y.

Yet another mystery is what kind of genetic flaw might predispose certain people to develop rheumatoid arthritis. Winchester, working with Gregersen and others, has identified a sequence of genes that controls the major histocompatibility complex and that is closely linked to the disease. Before drug companies could make practical use of this discovery, however, they would have to understand a lot more about how this complex works and what other roles it performs. The complex might, for example, help determine the variety of T cells each person has. That selection may determine how a person's immune system reacts or, as in rheumatoid arthritis, overreacts.

Arthritis on Wall Street

Company	Offering date	Amount raised ($mil)
Anergen[1]	Oct 10	$16
Cytel[1]	Oct 31	36 to 42[2]
ImmuLogic Pharmaceutical[1]	May 22	21
Immune Response	Oct 28	50
T Cell Sciences	May 3	14
Xoma	Apr 3	80

[1]Initial public offering.
[2]Estimate; offering not completed.

The quest for drugs to quell autoimmune inflammation has of late been a popular selling pitch in biotech underwritings.

For biotechnology companies, the more immediate payoff seems to rest in trying to disrupt the initiating inflammatory event. One approach is to come up with compounds, either peptides (bits of protein) or other substances, that would bind to the major histocompatibility complex on the spot where the antigen belongs, so that the antigen never gets found and thus is never presented to the T cell. ImmuLogic is developing such a compound, to be taken orally, while Cytel Corp. is working on a way of flooding the system with competing peptides.

The tricky part, says Gregersen, will be coming up with a therapy in which enough of the competing substance can be given to prevent any of the huge number of major histocompatibility complex molecules from being able to present the bits of antigen.

Other companies are studying the T cells, each of which has a number of different receptors, allowing them to recognize a variety of different antigens. Rivals Xoma Corp. and Centocor, Inc. have developed drugs, now in clinical trials, that remove—at least for a time—the T cells that cause the damage in rheumatoid arthritis. (These two firms are better known for their research and their patent battles related to septic shock syndrome.)

Xoma's CD5 Plus is a monoclonal antibody with a a toxic enzyme attached. A monoclonal antibody is a line of identical antibodies primed to grab on to one particular cell—in this case, the mature T cell. The drug wipes out a large part of a person's immune system for several weeks, but leaves unscathed a population of baby T cells that will mature normally; the new crop, it is hoped, won't get involved in self-destructive attacks on the joints. Centocor's Centara is similar but targeted against a subgroup of T cells, covering about two-thirds of those in the blood. The idea here is to stop the arthritis without temporarily annihilating the patient's defense mechanisms.

Better still would be a drug that did in only a small subset of T cells, the true culprits in arthritis, if they could be somehow identified and singled out. Xoma is looking for this kind of drug; so is Immune Response Corp.

None of these approaches is a sure thing, warns Winchester, who says many researchers are making the mistake of looking for cells at the site of inflammation once the disease has already progressed. The cells present then may not be the ones responsible for causing the disease, any more than police officers who congregate at every crime scene are the cause of crime.

Any of the arthritis researchers could stumble onto a cure but, given how little is understood about the disease, it seems that today's investors are being asked to finance not drug development but basic research. ■

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

"The strong rally in small-cap growth stocks has somewhat overshadowed a similar rally in the small-cap value stocks sector," says Denis Laplaige, portfolio manager of the Mainstay Value Fund. Laplaige's $50 million portfolio is up 35% so far in 1991, compared with the 25% total return in the Barra All-US index. The 50 or so stocks in the Mainstay Value Fund portfolio have an average price/earnings ratio of only 13, well below the Barra index stocks' average P/E of 25. Laplaige says his low-multiple portfolio is probably less vulnerable to a market decline than the average growth fund.

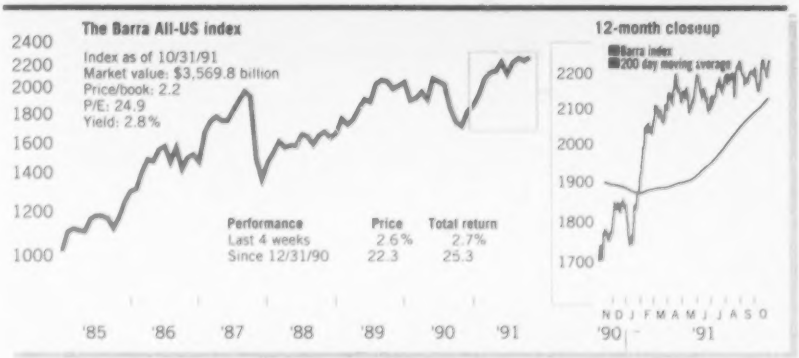
One of Laplaige's favorites is Offshore Logistics, which provides helicopter transportation to oilfield workers in the Gulf of Mexico. The stock does not pay a dividend but has a P/E of only 7. Laplaige also likes Crown Crafts, which makes bedding supplies and pays a small dividend.

Correction

Column heads for the best and worst performers shown on last issue's Mutual Fund Review page were transposed. The correct data for the 12 months ended September are shown below.

Fund	Total return	Fund	Total return
AIM Charter	36.2 %	ASA Limited	-24.3 %
AIM Weingarten	42.2	Alliance Bond-Hi Yield	27.3
Benham Target 2005	31.7	Bull & Bear Gold	-13.0
Berger 100	81.7	Dean Witter Hi Yield	15.8
Bergstrom Cap	67.4	Fidelity Sel-Precious	-11.4
CGM Cap Devel	98.5	First Inv Hi Yield	17.0
Fidelity Contrafund	57.5	Keystone B-4	18.3
Fidelity Growth	59.1	Keystone Precious	-7.5
Fidelity Sel-Health	79.9	Lexington Gold	-16.5
Fidelity Sel-Util	23.0	Pilgrim S-T Multi Inc	6.9
Fml Ind Income	44.5	Strategic Invest	-29.2
Smith Barney-US Govt	16.7	US-Global Res	-2.6
Transamerica Inc Shrs	19.9	US-Gold Shares	-18.2
USAA Mutual-Inc	19.5	Van Eck Intl	-10.2
Vanguard Fixed GNMA	16.7	Vanguard Gold & Proc	-4.3

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	0.5%	32.0%	0.0%
Sharpe/Barra Growth index[1]	-0.1	29.1	-0.7
Sharpe/Barra Value index[2]	0.5	35.1	-0.2
Dow Jones industrials	0.5	25.0	-0.3
S&P 500	0.1	27.8	-1.1
NYSE	0.3	29.2	-0.3
Nasdaq	1.3	64.2	0.0
Amex	1.6	34.1	-2.5
EAFE[3]	0.7	3.7	-17.5
CRB index[4,5]	-0.1	-5.6	-19.8
Gold[5]	-0.5	-3.6	-28.8
Yen[5]	1.2	5.2	-20.2
Oil[5]	-2.5	-36.5	-43.3

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Glycomed	18 1/4	87%	NA	Owens-Corning	22	-33%	$1.31
Medimmune	52 1/2	69	$0.07	CareNetwork	11 1/2	-32	1.12
Informix	15 1/4	61	0.14	Intl Rectifier	13 1/4	-26	1.60*
ICN Pharmaceuticals	11 1/4	58	0.55	Harley-Davidson	44	-26	2.47
Immune Response	59 1/4	39	-0.30	Regis	7 1/8	-24	NA

The best and worst performing industry factors[4,8]

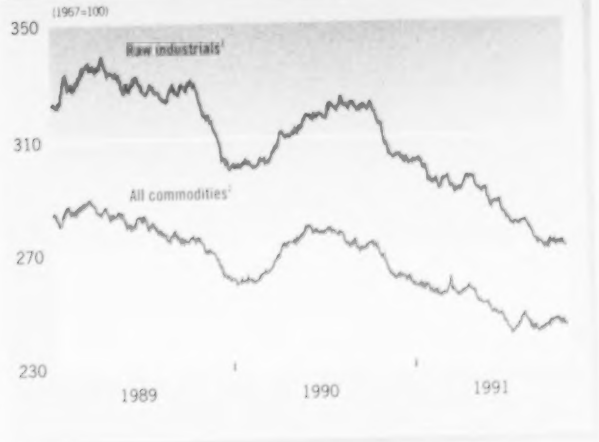
Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Coal & uranium	10.1%	10.0%	Motor vehicles	-7.2%	11.6%
Oil refining, distribution	5.5	29.5	Construction	-6.0	6.8
Insurance, non-life	5.2	15.9	Consumer durables	-5.6	14.2
Drugs, medicine	4.9	49.1	Forest products	-5.0	26.3
Tire & rubber	4.9	57.7	Water transport	-4.9	27.5

Note: Data for period ending 10/31/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. *1992 estimate. Principal source: Barra, Inc., Berkeley, Calif.

COMMODITIES REVIEW

BY ERIC S. HARDY

CRB Spot indexes



CRB Futures indexes

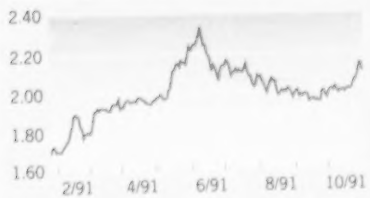
Like the U.S. economy, the Commodity Research Bureau Futures index has gone nowhere in the past 12 months, a dispiriting sign. James Nevler, an analyst at the Commodity Research Bureau in New York, sees no strength developing in commodity prices, and is thus skeptical about the chances for a strong economic recovery. "If prices for raw materials are leading economic indicators, as they should be, I see no reason to be optimistic about the overall economy for at least the next few months," says Nevler. "There is no significant [demand] out there."

If demand does improve, supply for most commodities does not appear to be much of a problem. The petroleum market is a good illustration. OPEC has raised its official output quota by 6%, to 24 million barrels a day. This increase should offset expected increased demand, and reduced output in the Soviet Union.

There are a few pockets of strength in the commodity markets. The grain price index, for example, has been increasing in response to a rise in wheat prices. The Soviet Union has already tapped $585 million in U.S. grain credits in fiscal 1992 and is requesting an additional $2.5 billion in credits and $1 billion in outright grants. Also helping to support wheat prices is unusually dry weather in the Midwest; the U.S. Department of Agriculture reports the summer wheat crop yield was relatively small. And on Oct. 10 the USDA also released a report predicting tight supplies of Florida oranges. That could help firm up prices in this market.

Commodity spotlight

January Lumber[5] ($ per board foot)



Lumber prices hit an alltime high after logging restrictions in the Pacific Northwest—designed to save spotted owls—were announced in May. The threat of environmentally related action still overhangs the market, while forest fires in the Northwest may also prop up U.S. prices. But don't expect much upward pressure on prices from the depressed housing market.

Cash and futures prices

Spot indexes

Index[4]	Value	3-mo change
All commodities	242.90	1%
Raw industrials	270.81	-3
Metals	245.16	1
Textiles	230.49	-10
Foodstuffs	207.43	7

Futures indexes

Index[4]	Value	3-mo change
CRB index	217.86	6%
Precious metals	238.01	-6
Industrials	231.63	-2
Grains	194.69	17
Livestock & meat	191.05	-3

Spot commodity prices

Index	Price	3-mo change
Steel scrap (short ton)	$97.00	9%
Copper scrap (pound)	0.85	4
Print cloth (sq yard)	0.88	4
Corn (bushel)	2.42	10
Soybean oil (pound)	0.19	4

Futures prices

Index	Price	3-mo change
Jan platinum (troy oz)	$367.40	-6%
Dec crude oil (barrel)	23.12	11
Dec copper (pound)	1.05	6
Dec cotton (pound)	0.63	-9
Dec Chi wheat (bushel)	3.65	32

Note: All prices as of 10/25/91. [1]Composed of 13 commodities. [2]Composed of the 13 raw industrial commodities plus 10 foodstuffs. [3] Gold, platinum and silver. [4]Composed of 21 commodities. [5]Prices from 1/23/91 through 10/25/91. [6]Base for spot and futures indexes (1967=100). Source: Knight-Ridder Commodity Research Bureau.

The 400 largest privately owned companies in America

Danny Abraham: the secretive man behind the Slim•Fast phenomenon

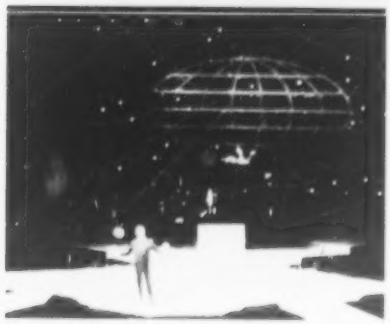
December 9, 1991 Four Dollars

Forbes

Inspirational marketing

"Our people are seeking inspiration all the time, as most people are. Some people find it in the Rotary Club, some people find it at church, and some people like to go to Amway meetings."

Forbes
DECEMBER 9, 1991 VOLUME 148 NUMBER 13



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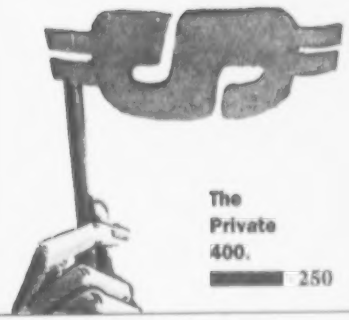

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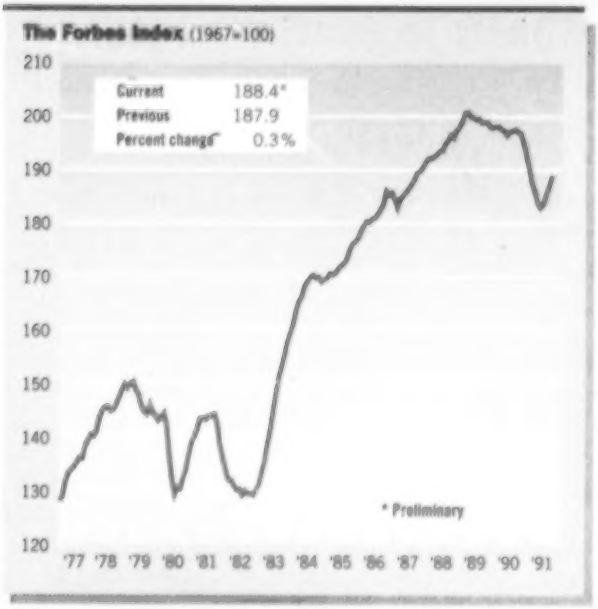
THE FORBES INDEX

BY TIMOTHY DODMAN



Cautious consumers are putting lots of companies underwater. Dun & Bradstreet reports business failures are up more than 48% from this time last year. So far in 1991, nearly 76,300 companies have failed. Meanwhile, the retail sector is putting out mixed signals. Retail sales, which have been seesawing since February, fell 0.1% in October. Yet that isn't too bad a drop considering the weak demand for big-ticket retail items such as automobiles. At an annualized rate of barely 1 million, new home construction is at a nine-year low.

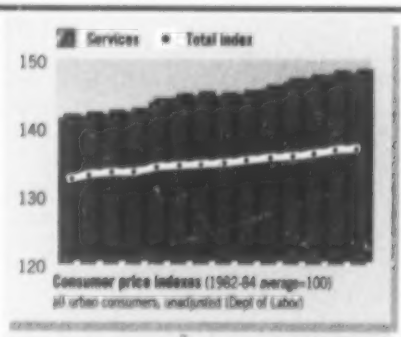
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	7.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-12.0%
Index of leading indicators Sept vs Aug	Dept of Commerce	-0.1%
Trade balance 12 months ended Sept 1991	Dept of Commerce	-$75 bil
All-commodity producer price index Oct vs Sept[2]	Dept of Labor	0.3%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	2.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.2%

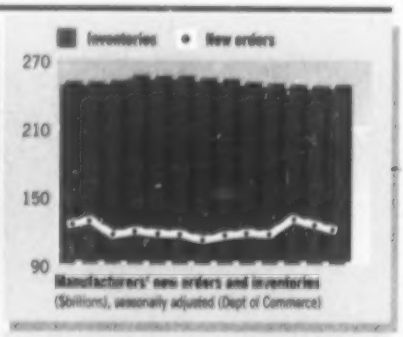
[1] U.S.-based manufacturers, excludes imports, as of 11/10/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

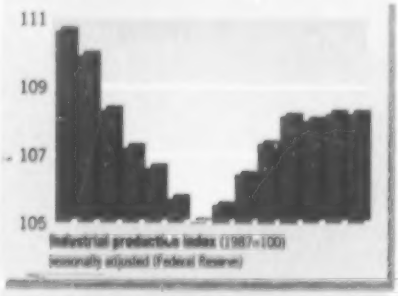
Index components

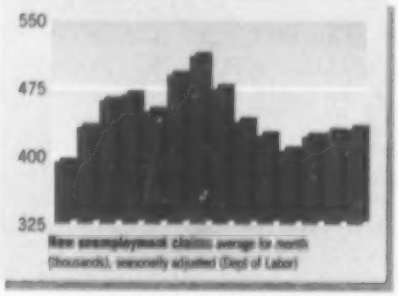
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.









S O N D J F M A M J J A S O S O N D J F M A M J J A S O S O N D J F M A M J J A S O

Some new biotech stocks are off as much as 40% from their highs. But history says they're still not buys.

Sucker bait

By Richard L. Stern

THAT NASTY 120-point Nov. 15 drop in stocks may go down in history as the Great Biotech Massacre. Many of the biotech firms that were taken public this year had begun to droop before the broader market slumped that day. By the close of trading that Friday, biotech companies like MedImmune, Applied Immune Sciences, and COR Therapeutics were down by 25% to 30% from highs at the start of the week.

Are they now buys? Is the correction over? Don't bet on it. Most of 1991's 32 biggest biotech offerings still sell at frighteningly high levels *(see table)*. Yet few of these newcomers have any revenues or earnings. Jeffrey Casdin, an analyst with Oppenheimer quips: "[The biotech IPOs] are trading on a multiple of Ph.D.s."

It's the old story. The Wall Street hype machines, aided and abetted by the media, trumpet the prospective triumphs of a rising technology. That starts investors breathing hard. Prices of established outfits go up and up. Then Wall Street does what it always does: The public wants stocks, we'll sell them stocks. It eagerly brings to

The hottest biotech new issues of 1991

Issuer	Offer date	Price offer	Price recent	Percent change from offer	Percent change S&P from offer	Market value ($mil)	Manager
MedImmune	May 8	$9.25	$41.00	343.2%	0.2%	$598.6	Morgan Stanley
Curative Technologies	June 28	7.50	19.25	156.7	2.2	181.0	Smith Barney
Cygnus Therapeutic Systems	Jan 31	9.00	19.75	119.4	10.3	209.4	Hambrecht & Quist
ICOS	June 6	8.00	16.50	106.3	-1.1	353.1	PaineWebber
SyStemix	Aug 7	18.00	36.25	101.4	-2.8	253.8	Merrill Lynch
Osteotech	July 24	7.50	15.00	100.0	0.2	87.0	Bear Stearns
COR Therapeutics	June 27	7.50	13.25	76.7	1.3	119.3	Robertson Stephens
Biomatrix	Aug 7	10.00	17.50	75.0	-2.8	150.5	Prudential
Medarex	July 16	6.00	10.50	75.0	-0.6	52.5	Rosekrantz Lyon & Ross
Glycomed	June 13	7.00	12.25	75.0	0.5	107.8	Hambrecht & Quist
Anergen	Oct 10	8.00	13.75	71.9	-0.3	71.5	H J Myers
Idexx	June 20	15.00	25.50	70.0	1.1	114.8	Shearson Lehman
Somatogen	Aug 2	19.00	32.25	69.7	-2.0	238.7	Alex Brown & Sons
ImmuLogic Pharmaceutical	May 21	10.00	16.25	62.5	1.1	152.8	Merrill Lynch
Applied Immune Sciences	May 2	12.00	18.00	50.0	-0.3	127.8	Montgomery
Isis Pharmaceuticals	May 17	10.00	14.75	47.5	1.9	163.7	Morgan Stanley
Genetic Therapy	July 31	9.00	12.25	36.1	-2.2	88.2	First Boston
Alkermes	July 16	10.00	13.50	35.0	-0.6	98.6	Robertson Stephens
Alteon	Oct 31	15.00	19.75	31.7	-3.3	227.1	Alex Brown & Sons
Vertex Pharmaceutical	July 24	9.00	11.50	27.8	0.2	110.4	Kidder Peabody
Dianon Systems	July 31	8.00	9.75	21.9	-2.2	46.8	First Boston
Celtrix	July 24	8.75	10.13	15.7	0.2	60.8	Oppenheimer
Aphton	Mar 21	7.00	8.00	14.3	3.5	80.8	Smetek Van Horn & Cormack
Athena Neurosciences	Nov 6	12.00	13.00	8.3	-2.7	184.6	PaineWebber
CellPro	Sept 24	11.00	11.50	4.5	-2.1	95.5	PaineWebber
Genelabs Technologies	June 13	9.13	9.50	4.1	0.5	166.3	Allen & Co
Embrex	Nov 7	8.50	8.75	2.9	-3.6	32.4	Josephthal Lyon & Ross
Cambridge NeuroScience	June 6	12.00	12.00	0.0	-1.1	81.6	Montgomery
IDEC Pharmaceutical	Sept 16	15.00	14.25	-5.0	-1.6	119.7	Merrill Lynch
Sepracor	Sept 20	10.00	9.25	-7.5	-2.2	149.9	Shearson Lehman
Cephalon	Apr 25	18.00	12.50	-30.6	0.0	107.5	Hambrecht & Quist
Regeneron Pharmaceuticals	Apr 2	22.00	15.13	-31.3	0.0	232.9	Merrill Lynch

Prices and market value as of Nov. 11. Sources: Oppenheimer & Co.; Telemet America Orion; Forbes.

With virtually no earnings, these biotech stocks have gained an average of 54% since their issue date.

market all kinds of dicey and unproven stuff with the appropriate technology in the name. True to form, this year underwriters have raised close to $1 billion on just 32 of the biggest biotech offerings.

The highest-flying new issue was MedImmune. Some of its research is being funded by Merck, in return for joint marketing and licensing agreements. It is working on, among other things, vaccines for AIDS-related infections and Lyme disease. Even after the market's mid-November drop, MedImmune's price, recently $41, is still four times higher than when it was first offered May 8. MedImmune also has the largest market capitalization—nearly $600 million. Nine-month product revenues: $5.1 million. Earnings: $1.6 million, or 11 cents per share.

Denise Gilbert, an analyst at Smith Barney Harris Upham, which is underwriting a secondary offering for MedImmune, is bullish. In research reports she says MedImmune could earn $1.80 a share by 1995 if—and it's a big if—the company can deliver, as projected, one new product a year beginning in 1994. In other words, the stock is currently selling at about 23 times earnings that might, or might not, pan out four years down the road. Moreover, MedImmune is among the best of the lot.

Most of these startups have financially sexy goals, researching cures for AIDS, asthma, arthritis and multiple sclerosis, Parkinson's disease, as well as remedies for stroke, head and spinal injuries and epilepsy.

But many of these are more than longshots; they are scarcely even in the running. For many of them, viable products are years away, and the companies are burning cash at such a rate that they'll either have to sell out or return to the market soon for more capital. When they return they may well find that investor interest has shifted elsewhere.

Despite the November massacre, underwriters are readying more biotech initial public offerings. The best advice is: Leave them alone. Careful study of FORBES' data base on initial public offerings reveals a clear pattern: The later in the cycle a new issue appears, the lower the quality and the richer the price.

Department stores, already losing customers to outlet malls and catalogs, now face another competitor: stores that sell everything at one low price.

Shades of Frank W. Woolworth

By Gretchen Morgenson

IF YOU'RE TIRED of hearing about the retailing doldrums, take a trip down the aisles of Manhattan's A Real New York Bargain, a one-price women's clothing store, so called because whatever is offered sells for one low price. No doldrums here. At 2:30 on a pre-Thanksgiving afternoon, the floors are crowded and the cash registers are ringing. A few doors down Fifth Avenue, the building that once housed B. Altman sits shuttered and

A $10 And Less store near St. Louis
Since shoppers shop more often, inventories move like mad.

After suffering a slight check in the Reagan years, government spending and government regulation are creeping upward again.

Socialism by another name

By Peter Brimelow and Gregory Viscusi

LET US DRAW you a picture. Or a chart. It's really the only way to set in perspective the numbing numerical nattering that will pass for economic debate in this next election year.

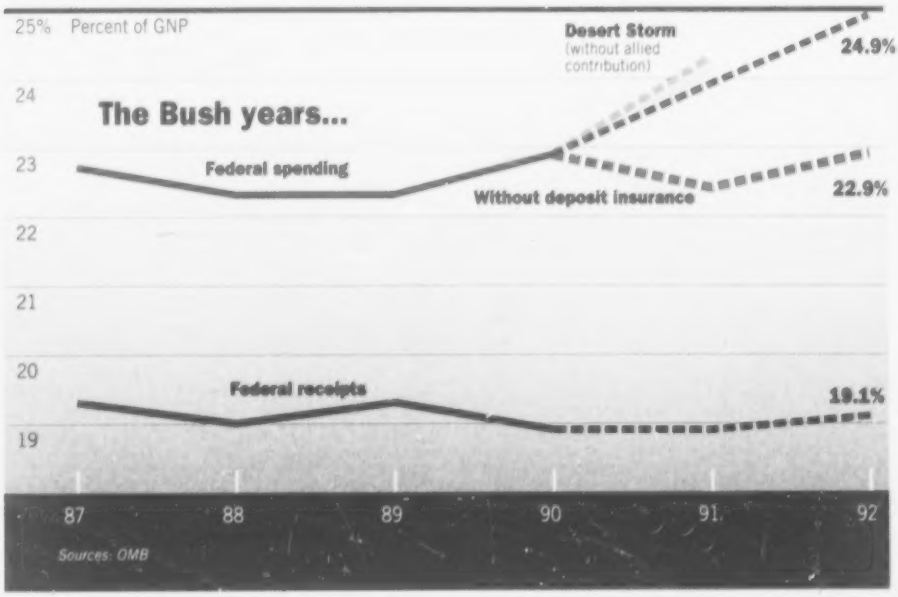
For example, applying a ruler to our chart below reveals that federal revenues at the start of the Reagan years were about the same as at the end (19.3% of GNP). The celebrated deficit owed much more to increased federal spending than to tax cuts.

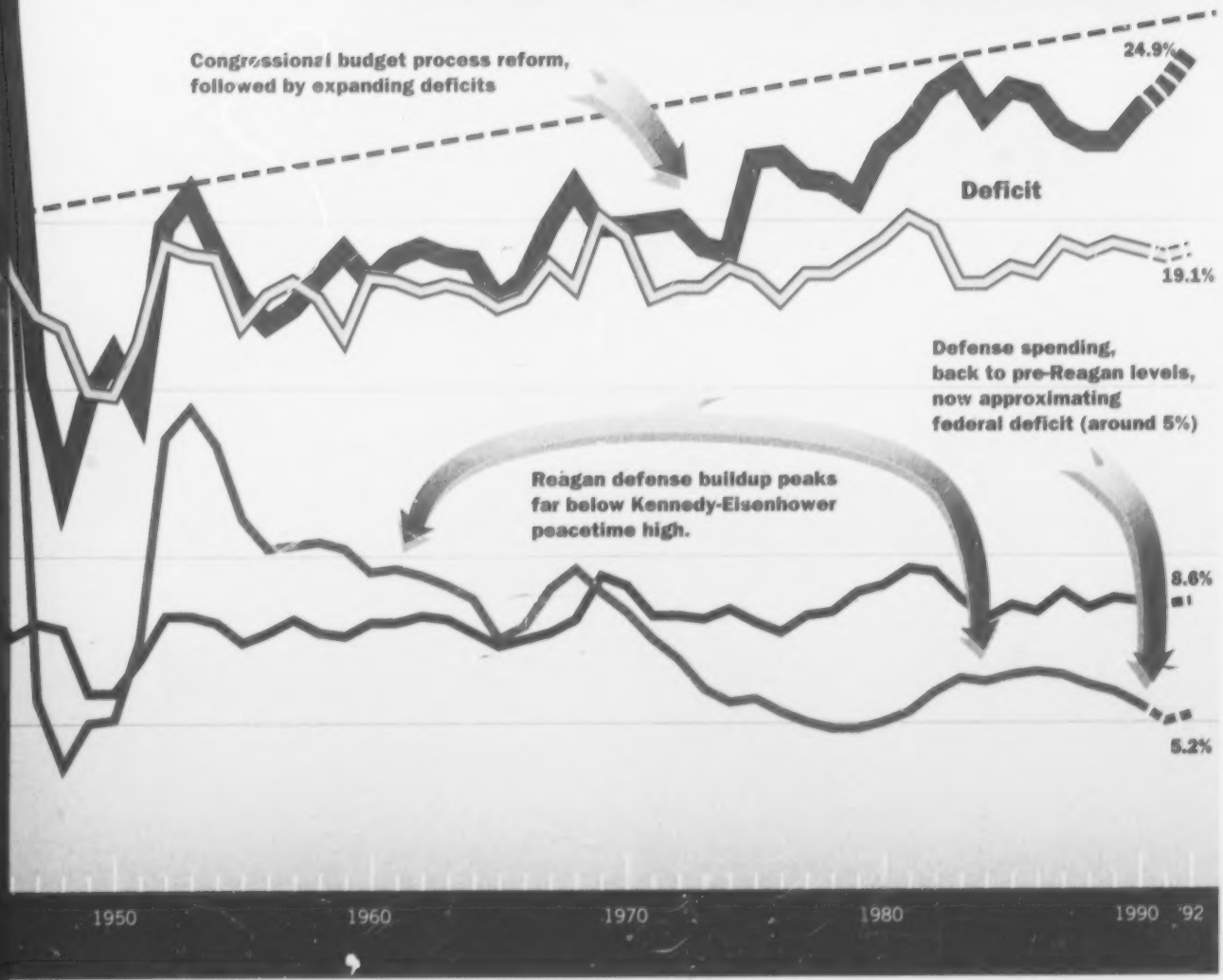
Hmmm.

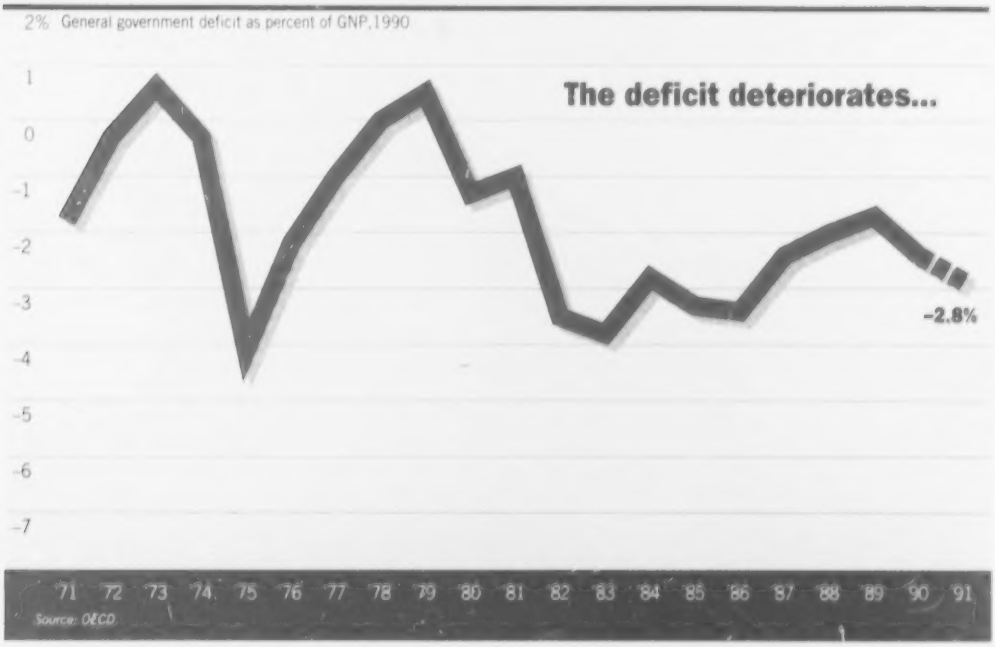
The celebrated deficits have also been equaled or dramatically exceeded at several points this century. Whether the economy subsequently inflated (1970s), disinflated (1930s) or absorbed them (post-World War II) must clearly depend upon uncharted factors—with monetary policy the obvious candidate.

Our chart's strongest message: the federal government's spending ratchets upward regardless of recession or expansion, peace or war, since 1948. The most recent development: Spending, and deficits, have started up again—a Bush-era deterioration also visible in the following charts.

By 1989 the federal budget deficit had contracted to 3% of GNP, its lowest level since 1981. Now it is rising again: The Bush Administration hopes it will peak at 5.8% in 1992. Operation Desert Storm essentially paid for itself: U.S. allies are handing over some $48 billion this year. And optimists hope that the annual cost of the S&L bailout will be met by the sale of seized assets after 1994. So the war and the S&L deficits aren't the villains. Underlying federal spending is still up.







Reagan general government deficits never got as big as under Ford. But the rebound was slower, and has now been reversed by increased spending at both the local and federal level. Still, the U.S. is not out of line with its economic competitors.

Deficit distress ebbs and flows in a distinctly odd way. FORBES' crude measure: We asked the Nexis database to list all *New York Times* editorials containing the words "federal" and "deficit" within two words of each other. The *Times* has a bellwether role in America's media because it is the hometown paper of the Manhattan-based national TV networks, and is also read by the would-be New Yorkers exiled in smaller journalistic garrisons across the country.

Our chart below left shows that *Times* editorial writers did not appear to extend official recognition to the federal deficit as an issue in the months preceding the 1980 presidential election, although it was relatively high in that year. During the campaign, from June through October, there were just five mentions. Equally mysteriously, official recognition has been withdrawn from the issue after the 1990 tax-and-spend budget "compromise." In between, mentions of the deficit moved against its actual trend several times, with a marked tendency to strengthen in presidential election years.

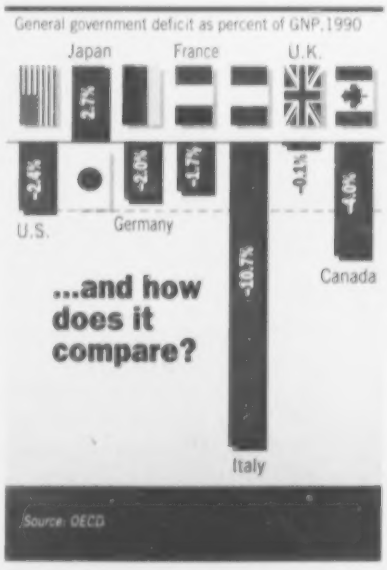
It would be cruel to conclude that the *New York Times* editorial writers are interested in the federal deficit only as a weapon to use against tax cuts and Republican Presidents.

Of course, the federal deficit is only part of the story. In the U.S., state and local governments perform many functions, such as education, that in many countries are the responsibility of central government. To make international comparisons, the Organization of Economic Cooperation & Development lumps all levels of government together *(right)*.

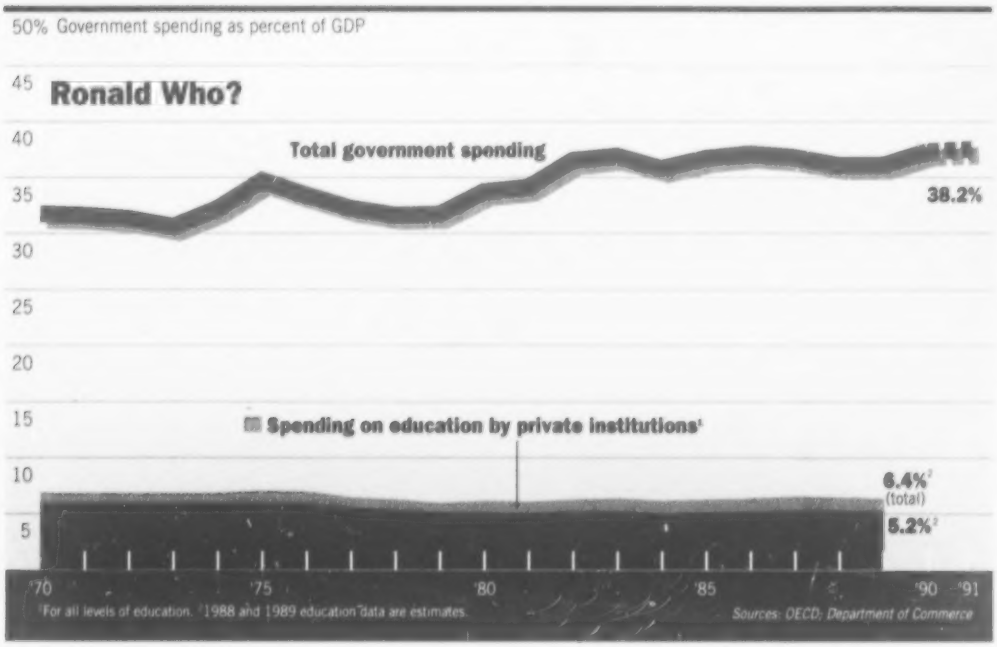
Some U.S. state and local governments have been running surpluses. Adding them in, the U.S. "general government" deficit experience looks less alarming. It is also not radically out of line with those of other industrial economies. (And has been less so: Japan ran deficits of up to 5.5% of GNP in the late 1970s; Germany endured 3.7% of GNP in the early 1980s.)

But the U.S. general deficit is now deteriorating again—with or without the *New York Times (above)*.

Concern with the federal deficit seems only loosely related to its size.



American government deficits not out of line with industrial countries.



Spending by all levels of government in the U.S. barely broke step in the Reagan years and is marching to new peacetime highs. Education helps.

More important than the deficit is the government's share of GNP. This is at a peacetime high—higher even than during the Vietnam War *(above)*. The U.S. is now about where the welfare states of Western Europe were in the early 1970s, almost within range of the post-Thatcher U.K. *(bottom left)*.

Any modest reduction in federal spending during the Reagan years tended to be counteracted by growth at the state and local level. State and local spending amounted to 12.6% of gross national product in 1984; 13.3% in 1988; and is running at 14.4% in 1991. But under Bush the federal government has joined in the party, too.

Another measure of governments' total claim is the "Tax Freedom Day" computed by the Washington, D.C.-based Tax Foundation. This expresses the share of national income grabbed by all levels of government in terms of the proportion of the year that the average American in effect works for the government. In 1980 Americans started working for themselves on May 1. By 1984 they had advanced very slightly to Apr. 28. But by 1988 they were back to May 5—and by 1991, May 8.

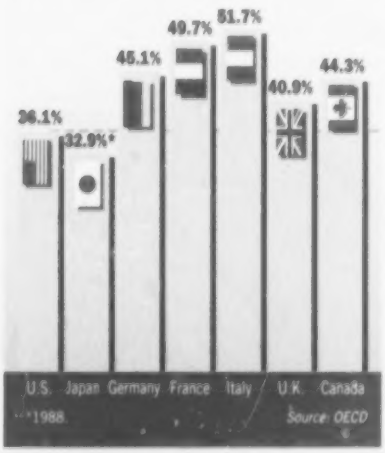
The top chart shows that any new spending proposals will mean unprecedented growth of government—unless other spending is cut. Everybody's favorite candidate: defense. But even if this could be totally eliminated, it would only just about close the federal deficit.

FORBES' helpful suggestion: Cast a cold eye on education, financed largely by state and local governments and now about equaling defense.

Notwithstanding incessant whining, the education industry has retained its GNP share in the 1980s, thus growing sharply in real terms even while delivering deteriorating results. Education spending in the U.S. takes more of GNP than in industrial rivals like Japan and Germany—and remember the U.S. GNP is larger *(bottom right)*. And, unlike other countries, U.S. education is handsomely supplemented by private spending. These facts undercut claims that we are underspending on education.

Government spending as percent of GNP, 1989

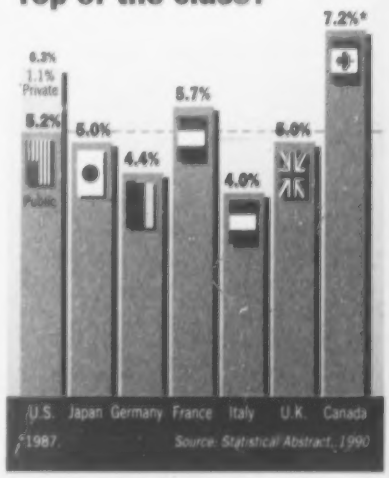
Closing the gap



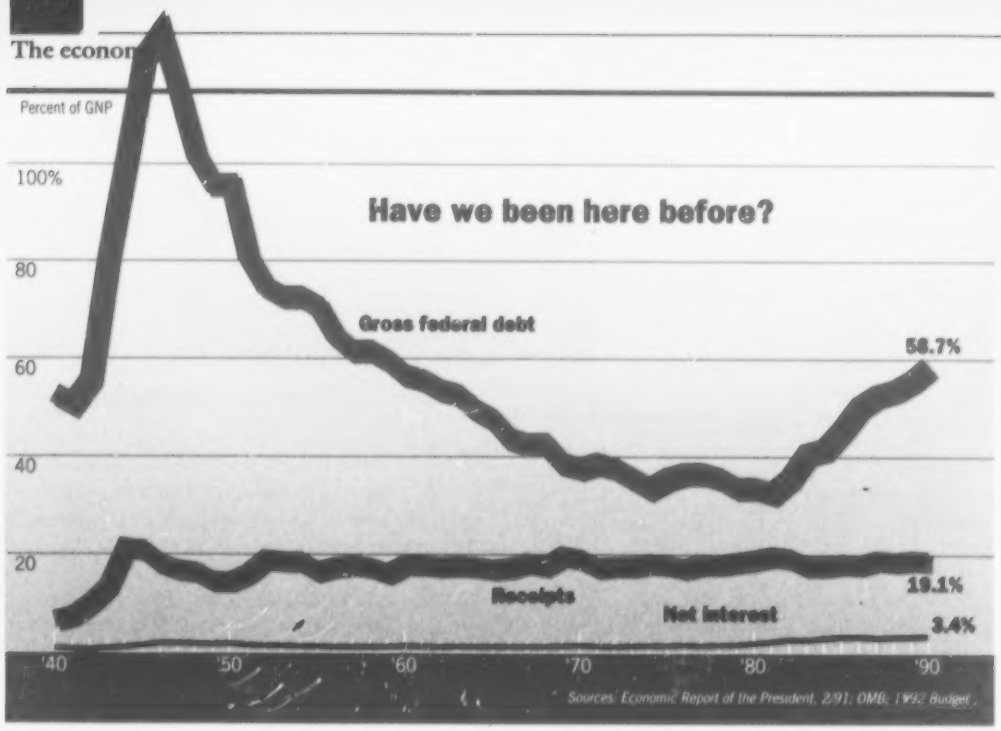
U.S. governments take less than most—for now.

Government spending on all levels of education as percent of GNP, 1986

Top of the class?



U.S. education's share is high, its private supplement unique.



The gross federal debt has not yet neared its post-World War II peak. But its interest burden is significantly heavier, although still quite small relative to Washington's tax revenues.

The national debt, like the federal deficit, is one of those sometime things, at least in terms of public attention.

Actually, the national debt really is a sometime thing. It goes up and down relative to GNP, not only as shown on our chart *(above)*, but also after the Civil War (26%, declining to 2%) and after World War I (about 30%, declining to 16%).

Nor is the national debt's relative decline necessarily an index of virtue. The federal government could be paying it off, or the economy could be growing faster than the debt—or, because it is denominated in nominal terms, it could be reduced in real terms by inflation. This is basically what happened after World War II.

Having said that, the national debt is definitely growing again. This has disappointed optimists who had hoped that by the late 1980s the U.S. would reach the happy point at which its budget deficits would be exceeded by economic growth.

Still, U.S. national debt is not markedly out of line with that of the other major industrialized countries. And this is not just courtesy of the Italians and Canadians, the notorious black sheep twins in the Group of Seven. The Japanese debt also exceeds the U.S. total.

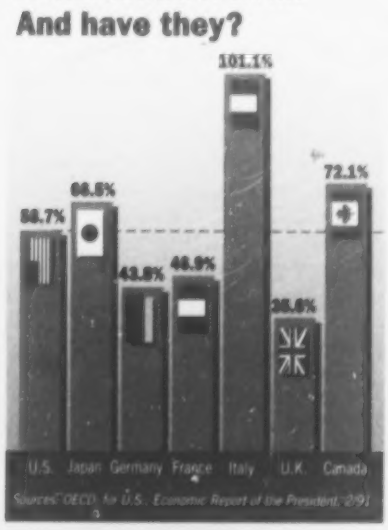
But there's a problem: If national debt is a sometime thing, the interest burden of the national debt is not. This rose from 2% of GNP in 1980 to 3.3% in 1986, a record. Then it sank slightly, before rising to 3.4% of GNP in 1990.

Paradoxically, this interest burden is far above that generated by vastly greater levels of debt in the 1940s. Why? Because people with money to lend are no longer willing to accept interest rates below the rate of inflation, as they once were. Awkward for governments. Good for savers—and, arguably, belated justice.

OECD figures show that the interest burden generated by the U.S. general government (3.3% of GNP in 1989) is, as usual, not out of line with other industrialized countries.

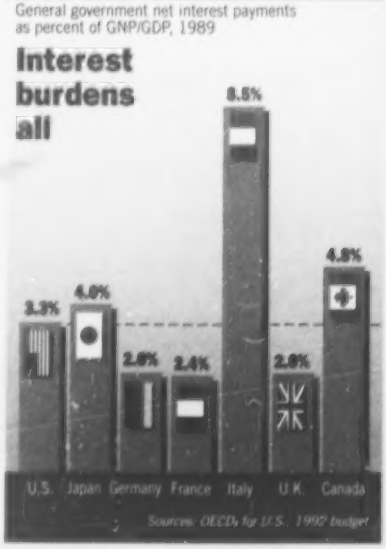
But it is increasing—up from 3.1% in 1987.

Gross public debt as percent of GNP, 1990



U.S. public debt is in the middle of the industrial countries' range.

General government net interest payments as percent of GNP/GDP, 1989



The interest burden on U.S. government debt rises—but others' are still higher.

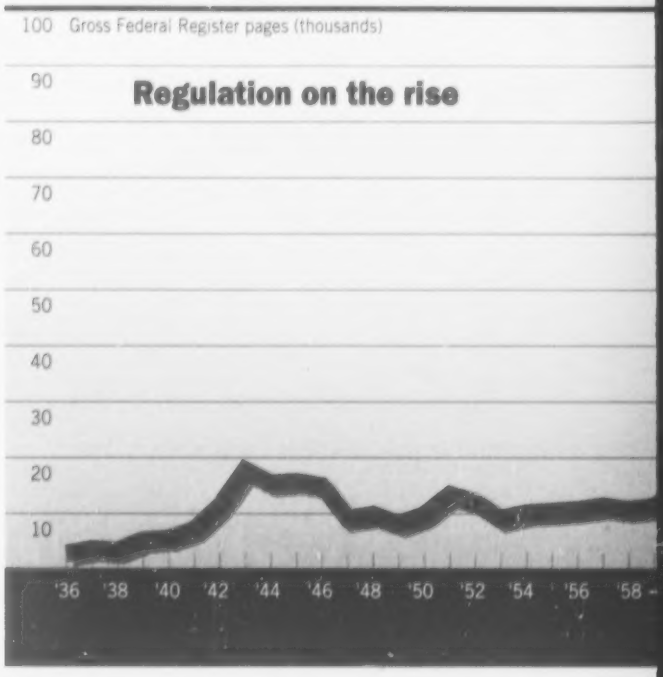
Everyone has heard of neoconservatism and neoliberalism. However, there's also "neosocialism"—the attempt of governments to control, rather than actually own, the means of production, distribution and exchange. It doesn't show up on our other charts, and it is inherently difficult to measure. But it is a growing reality in American life.

One common if crude measure of neosocialism is to count the number of pages in the Federal Register, which records all rules and notices by federal agencies. Our chart *(right)* shows the splash of regulatory activity associated with World War II—and the tidal wave of regulation unleashed under Presidents Nixon, Ford and Carter in the 1970s.

Under Reagan, this wave was pushed back—but only partway. After churning briefly, it got under way again. And 1991 looks like a storm-surge year: By mid-November the Register already had more pages than for all of 1990, and an informed guess is that it will top 60,000. As recently as 1954, it was below 10,000.

Which ironically implies an actual decrease in bureaucratic productivity.

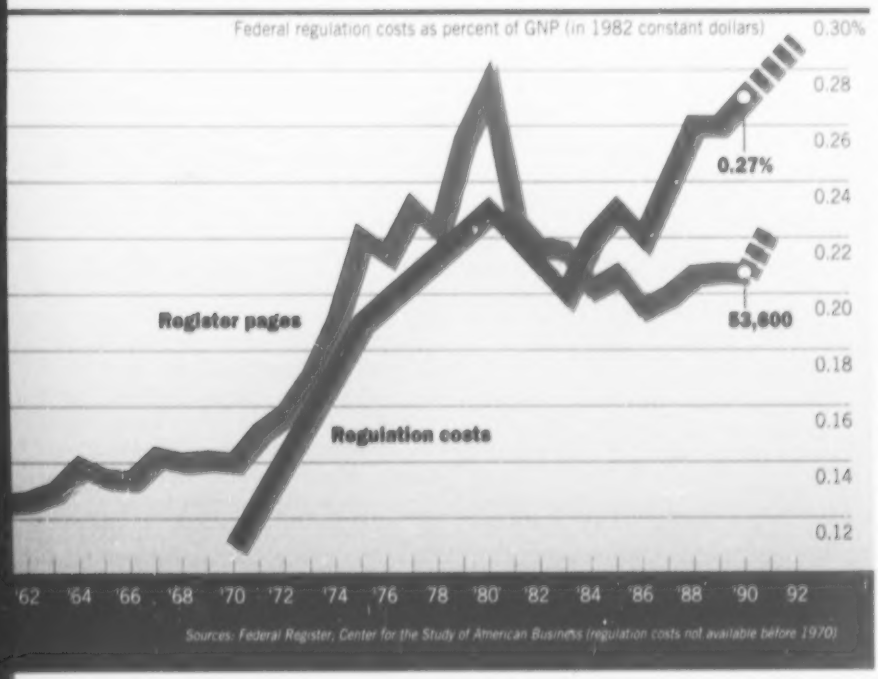
Regulation was checked under Reagan, but all measures suggest it remained historically high. Now it's surging again—and experts say this is just the beginning.



Our chart shows that spending on the federal regulatory apparatus is already at a new high relative to GNP.

Every measure confirms this record regulatory presence. In constant dollars, regulatory spending is running 16% above 1980 levels, according to the Center for the Study of American Business at Washington University in St. Louis. Regulatory personnel,

WHO'S MADE
THE TOP 10
IN EQUITY RESEARCH
FOR 20 YEARS?



about 115,000 in 1990, are projected to reach 122,400 in 1992, finally surpassing the previous peak of 121,700 achieved in the last year of the Carter presidency.

A major cause of the recent surge: environmental regulation, including the Clean Air Act of 1990.

The Bush Administration promised a kinder, gentler attitude toward the environment. It has certainly been kinder and gentler to the Environmental Protection Agency. The EPA has increased its staff by nearly a quarter in the last three years, according to the Center. Environmental regulatory spending is projected to rise to nearly 40% of total regulatory costs in 1992. It only got 15% back in 1970, the EPA's inaugural year.

And Murray Weidenbaum, director of the Center, predicts that there's more to come. Legislation like the recently passed Americans with Disabilities Act and the current Civil Rights bill guarantee it.

"There are a lot of vague standards that can only be determined through litigation and through the regulatory process," he says.

By the end of the Seventies, there was a powerful trend in the U.S. toward ever more government. Ronald Reagan succeeded in slowing, stopping and sometimes even reversing this trend. George Bush has allowed it to resume.

Socialism may be dead in Eastern Europe. But neosocialism is alive and well in the U.S.A. ■

From day one, the key to the enviable success of Donaldson, Lufkin & Jenrette, The Equitable's investment banking arm, has been the superior quality of its research. In fact, it's known throughout the industry as the "house that research built."

DLJ has made the top 10 for excellence in research in *Institutional Investor's* annual survey every single year for the past two decades. A record no other name in the securities business can match.

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No wonder, then, that 1991 is turning out to be its best year ever.

To learn more about the strength in our numbers, please write to Richard H. Jenrette, Chairman and CEO, or Joseph J. Melone, President and COO, at The Equitable, 787 Seventh Avenue, Dept. A, New York, NY 10019.

THE EQUITABLE

STRENGTH IN NUMBERS

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Pay attention to this list. Private business accounts for a large chunk of the economy and provides a stream of candidates for new-issue offerings.

Private today, public tomorrow

THE RUSH TO go private in the 1980s is starting to reverse. In the last 12 months not even one publicly traded company with sales over $475 million joined the FORBES private company list. Meanwhile, York International, Duracell, Warnaco and several other corporations from our previous private list are now public. With the Dow industrials still near alltime highs and stocks selling way above replacement costs, the private universe is likely to continue shrinking: just within the last two months Stop & Shop Cos. and Charter Medical announced their intention to go public.

Since our last report, two of the previous top ten companies (RJR Nabisco, with $13 billion in revenues, and Southland, with $7 billion) no longer qualify as private. Despite the loss of these big companies and despite the weak economy, the combined revenues of the FORBES private companies list crept up to $611 billion from $609 billion last year.

Among the new additions are several firms created from existing private or public companies: Furr's Supermarkets was once a part of Furr's Inc.; Buttrey Food & Drug, a part of

American Stores; Lexmark International, a division of IBM; and Republic Engineered Steel, a bar steel division of LTV Steel.

Six companies on the list, including Insilco, Pay 'N Pak, and Gillett Holdings, have felt the squeeze of heavy debt and the recession and were forced to file for Chapter 11.

What does it take for a private company to qualify for the FORBES list? Either it has too few common shareholders (generally, 500) to be required to file with the Securities & Exchange Commission or it files but the stock is not available to the general public. Publix Super Markets is an example of the latter: The stock is widely held, but only by employees. A company with closely held common stock but widely traded bonds or preferred stock would also be considered private. Wickes Cos. is private, even though its preferred stock trades on the American Stock Exchange.

FORBES' survey includes only firms that operate for profit and are U.S.-owned and headquartered. Battelle Memorial Institute, a nonprofit that pays income taxes, is included. Charitable foundations and government agencies are excluded. Also excluded are mutuals, cooperatives, joint ventures and companies 50% or more owned by another private or public corporation, unless those owners are passive investors. This year, for example, we dropped Hertz from our list because over 70% of the stock is owned by Ford Motor and Volvo, both publicly owned companies.

Except where noted, the revenue shown is for the most recent fiscal year reported when this list was prepared. Some private firms file financial data with the SEC; others publish revenue numbers. Estimates are from a variety of sources, including competitors, market researchers and anonymous company insiders. This year we were able to pry our way through the steel walls of some companies that were previously uncooperative. For example, we gained greater insight into Donald Trump's crumbling empire by examining data assembled for the workout with his creditors. NWA's revenues leaked out when it petitioned the state of Minnesota for financial backing. ■

Acknowledgments

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THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

Privately owned business is big business: These 400 companies share a total $600 billion of revenues.

Edited by Steve Kichen and Tina Russo McCarthy

Researchers:
Scott DeCarlo, Carol Dittbrenner, Tim Dodman, Evelyn Feit, Warren Midgett, Kristen Peters, Steven Ramos, Gilbert Steedley and Susan Yu

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
1	1	Cargill	Whitney MacMillan	$49,100	60,000	intl marketer of agri & bulk commodities
2	2	Koch Industries	Charles Koch	19,250e	10,000	oil, chemicals, minerals, agriculture
3	3	Continental Grain	Donald L Staheli	15,000e	14,500	commodity trading & processing
4	5	United Parcel Service	Kent Nelson	13,606	245,000	package delivery
5	7	Mars	Forrest E Mars Jr	9,100e	26,000	candy manufacturing, pet food, rice
6	8	American Financial	Carl H Lindner	8,016	54,000	insur, S&L, food prods, radio & tv
7	11	•NWA	John Dasburg	7,426	43,500	airline
8	9	•RH Macy	Edward S Finkelstein	6,762	69,500	department stores
9	10	•Supermarkets General	Jack Futterman	6,126[1]	38,000	grocery & drug stores, home improve ctrs
10	12	Publix Super Markets	Howard M Jenkins	5,821	25,000	grocery stores
11	15	Bechtel Group	Riley P Bechtel	5,631	32,500	engineering & construction
12	16	Ernst & Young	Ray J Groves	5,449e	67,000	accounting & consulting
13	14	•Montgomery Ward & Co	Bernard F Brennan	5,440	45,000	department stores
14	17	KPMG Peat Marwick	Jon C Madonna	5,400[2]	77,300[2]	accounting
15	52	Meijer	Doug Meijer[3]	5,370e	35,000	combination grocery & retail stores
16	19	Goldman, Sachs & Co	Stephen Friedman[4]	5,290e	6,600	investment banking, securities brokerage
17	82	Carlson Cos	Curtis L Carlson	5,198	70,000	travel, hospitality, restaurants
18	25	Coopers & Lybrand	Eugene M Freedman	5,000e	65,000	accounting
19	23	•Stop & Shop Cos[5]	Lewis G Schaeneman Jr	4,990	42,000	grocery stores, discount dept stores
20	18	ARA Services	Joseph Neubauer	4,950e	135,000	food svcs, uniform rentals, child care svcs
21	24	Arthur Andersen & Co., SC	Lawrence A Weinbach	4,948	61,000	accounting & technical consulting
22	22	•Hospital Corp of America	Thomas F Frist Jr	4,631	54,000	hospitals & health care facilities
23	20	•Trans World Airlines	Carl C Icahn	4,606	33,725	airline
24	13	MacAndrews & Forbes Holdings	Ronald O Perelman	4,521	38,100	cosmetics, banking, finl svcs, publishing
25	27	Deloitte & Touche	J Michael Cook	4,500	56,000	accounting
26	28	Levi Strauss & Co	Robert D Haas	4,247	31,000	apparel
27	29	•Owens-Illinois	Joseph Lemieux	3,979	47,000	packaging
28	26	Marmon Group	Robert A Pritzker	3,846	26,705	industrial materials, auto & medical prods
29	31	•American Standard	Emmanuel A Kampouris	3,637	32,900	plumbing prods, air conditioning, auto prods
30	35	Price Waterhouse	Shaun F O'Malley	3,591	49,000	accounting
31	33	SC Johnson Wax	Richard M Carpenter	3,400e	13,600	specialty chemicals, home care prods
32	32	•Jack Eckerd	Stewart Turley	3,367	31,000	drug, optical & photo stores
33	36	Advance Publications	SI Newhouse Jr	3,100e	19,000	communications
34	68	Food 4 Less[6]	Ronald W Burkle	3,098	7,499	grocery stores
35	37	Grand Union	Joseph J McCaig	2,997	13,200	grocery stores
36	55	Interlaken Capital[7]	William R Berkley	2,916e	12,000	food processing, insurance, health care
37	40	H Group Holding	Jay Pritzker	2,915e	49,820	hotels
38	39	HEB Grocery	Charles C Butt	2,900	12,000	grocery stores
39	38	Lefrak Organization	Samuel J LeFrak	2,900e	18,000	real estate devel & mgmt, entertainment
40	79	Global Petroleum	Alfred A Slifka	2,850	450	petroleum wholesaling & retailing

•Went private via leveraged buyout since 1986. e: Estimate. [1]Includes revenues for Purity Supreme division, which is in the process of being sold. [2]September 1990 figure. [3]Hendrik Meijer is co-chairman. [4]Robert E Rubin is co-chief executive. [5]Announced plans to go public. [6]Listed as Yucaipa Cos on 1990 table. [7]Formerly Finevest Services.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
41	34	JMB Realty	Neil Bluhm	$2,772e	4,450	real estate
42	51	• Alco Health Services	JF McNamara	2,750e	2,323	distrib of pharmaceuticals & related prods
43	46	Hallmark Cards	Irvine O Hockaday Jr	2,700	22,000	greeting cards & related prods
44	41	Ingram Industries	E Bronson Ingram	2,677	5,400	distrib computer prods, barge operations
45	30	Dyson-Kissner-Moran	Ernest H Lorch	2,600	12,000	multicompany
46	78	Amway	Jay Van Andel[1]	2,550[2]	9,565	household & personal care prods
47	48	Penske	Roger S Penske	2,530	9,800	diesel mfg, truck leasing, auto dealerships
48	47	Milliken & Co	Roger Milliken	2,498e	14,000	textiles
49	81	Phar-Mor	Michael I Monus	2,480	22,000	discount drug & variety stores
50	56	Belk Stores Services	John M Belk	2,400e	2,300	department stores
51	■	• Wickes Cos	James R Birle	2,360	25,200	home improv ctrs, textiles, auto & inds prods
52	43	Anschutz	Philip F Anschutz	2,358e	21,500	oil, railroads, real estate, mining
53	53	• Borg-Warner	James F Beré	2,340	86,000	auto parts, security svcs
54	58	JM Family Enterprises	James M Moran	2,295	2,107	distrib Toyota vehicles & related prods
55	57	• Burlington Industries	Frank S Greenberg	2,282	27,000	textiles
56	64	• Payless Cashways	David Stanley	2,226	18,000	home improvement centers
57	44	Metromedia	John W Kluge	2,220	24,652	restaurants, telecommunications
58	60	Estée Lauder Cos	Leonard Lauder	2,200e	10,000	cosmetics
59	71	DHL Worldwide Express	Patrick Foley	2,100	21,000	international air express & air freight
60	66	Hy-Vee Food Stores	Ron Pearson	2,100e	9,000	grocery, drug & convenience stores
61	67	Red Apple Group	John Andreas Catsimatidis	2,100	10,000	grocery & convenience strs, oil, real estate
62	69	Cox Enterprises	James C Kennedy	2,095	14,896	newspapers, brdcasting, cable tv, auto auct
63	76	• HealthTrust[3]	R Clayton McWhorter	2,026	23,000	hospitals
64	65	Dominick's Finer Foods	James DiMatteo	2,000e	7,500	grocery stores
65	■	Lexmark International	Marvin L Mann	2,000e	5,000	typewriters, printers, keyboards
66	75	Hook-SupeRx	Philip E Beekman	1,995e	12,000	drugstores
67	21	Peter Kiewit Sons'	Walter Scott Jr	1,912	13,000	construct, coal mining, telecomm, energy
68	59	Hearst	Frank A Bennack Jr	1,900e	13,950	publishing, broadcasting
69	49	• Revco DS	Boake A Sells	1,900	15,900	drugstores
70	73	Steelcase	Jerry K Myers	1,900	21,000	office furniture & systems
71	74	Graybar Electric	Edward McGrath	1,895	4,900	electrical equip wholesaling
72	108	Cumberland Farms	Richard Jensen	1,855e	4,300	convenience stores, gas distributors
73	61	• Best Products[4]	Stewart Kasen	1,840	6,000	general merchandise, jewelry stores
74	116	• Whitmire Distribution[5]	Mel Whitmire	1,619	1,000	wholesaling pharmaceuticals
75	83	BeefAmerica	Joseph Amore	1,600	2,500	meatpacking
76	110	Dunavant Enterprises	William B Dunavant Jr	1,600e	2,220	intl & domestic cotton merchant
77	72	Lincoln Property	A Mack Pogue	1,600e	3,700	real estate devel & mgmt
78	91	Schwan's Sales Enterprise	Marvin Schwan	1,600e	6,000	frozen foods, home delivery
79	88	JR Simplot	Gordon Smith	1,600	9,000	food processing, fertilizer, livestock
80	86	• Prime Computer	John J Shields	1,589	7,800	computer hardware & software
81	63	George E Warren	Thomas L Corr	1,568	30	petroleum trading
82	104	Polo Ralph Lauren	Ralph Lauren	1,550	3,000	apparel, home furnishings & accessories
83	93	• Reliance Electric	John C Morley	1,547	14,000	industrial & telecommun equip
84	45	Riklis Family	Meshulam Riklis	1,520	23,300	variety & discount stores, apparel
85	132	Transammonia	Ronald P Stanton	1,515	190	trading fertilizers & petroleum prods

■ Not on last year's list. • Went private via leveraged buyout since 1986. e: Estimate. [1]Richard DeVos is co-chairman. [2]Based on wholesale revenues. [3]Announced plans to go public. [4]In Chapter 11. [5]Formerly MWC.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
86	77	Giant Eagle	David S Shapira	$1,500e	10,000	grocery stores
87	84	Hillman	CG Grefenstette	1,500	2,000	diversified investment & operations
88	127	TLC Beatrice International Holdings	Reginald F Lewis	1,496	5,000	food processing & distributing
89	102	Wegmans Food Markets	Robert B Wegman	1,495	6,509	grocery stores
90	87	•Coltec Industries	David I Margolis	1,487	12,400	aerospace, automotive, industrial equip
91	106	Frank Consolidated Enterprises	James S Frank	1,470	2,020	auto dealerships, travel svcs & fleet mgmt
92	95	Holiday Cos	Ronald A Erickson	1,442e	3,250	convenience stores, grocery wholesaling
93	118	•Del Monte Foods	A Ewan Macdonald	1,435	15,340	food processing
94	92	Helmsley Enterprises	Harry B Helmsley	1,435e	13,000	real estate brokerage
95	105	Kohler	Herbert V Kohler Jr	1,409	13,794	plumb prods, engines, generators, hospitality
96	114	Delaware North Cos	Jeremy M Jacobs	1,401	17,500	food svcs, pari-mutuels, metals, typog
97	100	Oxbow	William Koch	1,400e	300	energy, fossil fuel, real estate
98	120	Raley's	Charles L Collings	1,400	6,000	grocery & drug stores
99	103	Edward J DeBartolo	Edward J DeBartolo	1,378e	15,000	real est devel & mgmt, dept stores, race track
100	109	Gates	Charles C Gates	1,340	17,000	rubber & formed fiber prods, recharg batteries
101	96	Sammons Enterprises	Robert W Korba	1,340	5,100	insurance, cable tv, industrial equip
102	89	Trump Organization	Donald J Trump	1,340e	20,000	hotels & casinos, real estate, airline
103	99	•Walter Industries[1]	G Robert Durham	1,326	8,100	home bldg & financing, natural resources
104	62	Rabco Health Services[2]	Richard A Bernstein	1,321	2,600	medical & surgical equip, pharmaceuticals
105	139	Epic Healthcare Group	Kenn S George	1,300e	11,500	hospitals
106	98	•General Instrument	Donald H Rumsfeld	1,300e	12,500	electronics
107	111	Southwire	Roy Richards Jr	1,300	5,000	metal fabricating, rod, wire & cable mfg
108	145	Fidelity Investments	Edward C Johnson 3d	1,272	7,000	mutual fund mgmt, discount brokerage
109	192	Morse Operations	Edward J Morse	1,266	1,200	auto dealerships
110	143	Gilbane Building	Paul J Choquette Jr	1,265	950	commercial & industrial construction
111	101	Union Holdings	Ezra Zilkha	1,265e	1,800	food processing, meatpacking
112	138	DeMoulas Super Markets	TA Demoulas	1,256	8,400	grocery stores
113	97	Golodetz	Marc L Ginzberg	1,240	800	trading, agri, real estate, venture capital
114	121	Scoular	Marshall E Faith	1,239	432	grain trading & storing
115	178	John Alden Financial	Glendon E Johnson	1,229	2,362	insurance
116	126	•Avis	Joseph V Vittoria	1,205	13,000	auto rental
117	70	•Charter Medical	William A Fickling Jr	1,200e	11,600	hospital management
118	140	Services Group of America[3]	Thomas J Stewart	1,200e	3,000	food distributor, insurance, real estate
119	115	Trammell Crow	J McDonald Williams	1,186	2,700	real estate
120	90	William Lyon Cos	William Lyon	1,185	920	real estate development
121	136	VT	Cecil Van Tuyl	1,179	3,200	auto, aircraft & boat dealerships
122	125	Taubman	Robert S Taubman	1,178e	550	real estate development & management
123	124	Johnston Coca-Cola Bottling Group	Summerfield K Johnston Jr	1,175e	5,000	soft drinks
124	133	•Foodmaker	Jack W Goodall Jr	1,165e	3,600	Jack in the Box, Chi-Chi's restaurants
125	163	Save Mart Supermarkets	Robert Piccinini	1,164	7,300	grocery stores
126	160	Science Applications International	JR Beyster	1,163	12,000	research & development, systems integration
127	129	Clark Enterprises	A James Clark	1,160	5,000	construction, communications, real estate
128	150	•Fort Howard	Donald H DeMeuse	1,151	6,000	paper prods
129	122	Crowley Maritime	Thomas B Crowley	1,150	4,000	maritime transportation
130	128	•DiGiorgio	Arthur M Goldberg	1,150e	3,000	food distributor, lumber

•Went private via leveraged buyout since 1986. e: Estimate. [1]In Chapter 11. Listed as Hillsborough Holdings on 1990 table. [2]Formerly RAB Holdings. [3]Formerly Food Services of America.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
131	159	Gulf States Toyota	Jerry Pyle	$1,135e	950	auto distributing
132	119	Tauber Oil	OJ Tauber Jr	1,128	57	petroleum & petroleum marketing
133	80	Domino's Pizza	Thomas S Monaghan	1,125	23,000	pizza delivery & carryout
134	137	•Cullum Cos	Jack W Evans Jr	1,123	6,000	grocery & drug stores
135	112	Stroh Brewery	Peter W Stroh	1,116	2,700	beer
136	151	E&J Gallo Winery	Ernest Gallo	1,110e	3,000	wine
137	183	Golub	Lewis Golub	1,100	3,720	grocery stores
138	170	Grocers Supply	Milton Levit	1,100	1,300	food wholesaling
139	172	Hughes Markets	Roger K Hughes	1,100	5,300	grocery stores
140	208	Schottenstein Stores	Jerome Schottenstein	1,100	15,000	department & furniture stores
141	174	Lennox International	John W Norris Jr	1,090e	8,300	climate control equip
142	156	•Pueblo International	David Morrow	1,075	4,155	grocery stores
143	146	•Lear Seating[1]	Kenneth Way	1,075	10,575	automobile seats
144	158	Schnuck Markets	Craig D Schnuck	1,060e	6,300	grocery stores
145	154	•Kash n' Karry Food Stores	Ronald J Floto	1,060	4,900	grocery stores
146	■	Caterair International	Daniel J Altobello	1,059	22,800	preparation & distribution of airline meals
147	187	Eby-Brown Cos	Richard Wake[2]	1,052	949	candy, tobacco, food & merchandise distrib
148	171	•Gulfstream Aerospace	Allen E Paulson	1,050e	4,800	aerospace
149	161	Schreiber Foods	Jack Meng	1,050e	2,300	cheese & meat processing
150	199	Enterprise Rent-A-Car	Andrew C Taylor	1,022	7,750	auto rental
151	274	Prospect Motors	William Halvorson	1,019	90	auto dealerships
152	157	Golden State Foods	James E Williams	1,013	1,700	food processing & distrib for McDonald's
153	202	C&S Wholesale Grocers	Richard B Cohen	1,010e	793	food wholesaling
154	164	PMC	Philip Kamins	1,006	4,500	plastics, specialty chemicals, foam
155	155	•Peter J Schmitt	——[3]	1,003	4,300	food wholesaling
156	203	Parsons	Leonard J Pieroni	1,002	9,500	engineering, design & construction
157	196	Young & Rubicam	Alexander Kroll	1,001	11 133	advertising, communications
158	144	•Service America	Steven Leipsner	1,001	22,000	food service & vending
159	117	A-Mark Financial	Steven C Markoff	1,000e	32	precious metals wholesaling
160	168	Connell	Grover Connell	1,000	200	heavy equip leasing, food export & import
161	141	Perdue Farms	Jim Perdue	1,000	12,500	poultry processing
162	186	Randall's Food Markets	Robert R Onstead	1,000	3,385	grocery stores
163	176	Sweet Life Foods	Julian Leavitt	1,000e	3,000	food wholesaling
164	184	Guardian Industries	William Davidson	996	7,400	flat glass, fiberglass insulation, plastics
165	149	•Essex Group	John M Bruce	993	3,700	wire, cable & electrical insulation
166	182	Amerco	Edward J Shoen	986	10,000	U-Haul vehicle rental
167	273	•Budget Rent a Car	Clifton E Haley	983	12,000	auto rental
168	244	Little Caesar Enterprises	Michael Ilitch	980e	11,300	pizza restaurants, sports arenas, pro sports
169	259	•National Car Rental	Vincent A Wasik	980e	8,000	auto rental
170	■	Trammell Crow Residential	J Ronald Terwilliger	976	2,900	residential development, construction
171	188	Merchants Distributors	Boyd L George	970	3,000	food wholesaling
172	177	Huntsman Chemical	Jon M Huntsman	961	6,701	chemicals
173	180	•Chicago & North Western Transp	Robert Schmiege	961	6,939	railroad
174	173	JP Foodservice	James Miller	952	2,200	food distributor
175	169	•Dillingham Construction	Donald K Stager	950	1,050	construct mgmt, general contracting

■ Not on last year's list. • Went private via leveraged buyout since 1986. e: Estimate. [1]Formerly Lear Siegler Seating. [2]Thomas Wake is co-president. [3]Currently headed by executive committee.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
176	198	Jordan	John W Jordan II	$950	9,870	multicompany
177	223	Continental Cablevision	Amos B Hostetter Jr	938	8,000	cable tv, multiple system operator
178	291	McKinsey & Co	Frederick W Gluck	935	4,500	consulting
179	175	Pacific Holding	David H Murdock	933e	5,000	multicompany
180	189	SnyderGeneral	Richard W Snyder	928	7,300	air quality control equip
181	162	•GAF	Samuel J Heyman	922	4,163	chemicals, building materials
182	210	Holman Enterprises	Joseph S Holman	917	2,033	auto dealerships, parts remfg, fleet leasing
183	238	Jitney Jungle Stores of America	WH Holman Jr	910	8,500	grocery stores
184	181	Restaurant Enterprises Group	Norman N Habermann	906	22,481	restaurants
185	■	CH Robinson	DR Verdoorn	905	817	shipping & distrib svcs, food broker
186	■	•Furr's Supermarkets	Jan Friederich	900e	6,000	grocery stores
187	195	Hartz Group	Leonard N Stern	900	5,000	pet supplies, real estate, publishing
188	204	•Earle M Jorgensen	Neven Hulsey	900	2,800	steel & aluminum prods distributing
189	147	•Leaseway Transportation	Richard A Damsel	900	10,500	trucking, transportation & related svcs
190	148	Connell Limited Partnership	William F Connell	895	3,381	metal manufacturing, industrial equip
191	85	Farley Industries	William Farley	893e	27,000	household fabrics, apparel, boots, auto parts
192	191	Levitz Furniture	Robert M Elliott	889	6,187	furniture retailing
193	234	JM Huber	George Schenk	880	4,000	natural resources, plastics, electronics, ink
194	193	Woodward & Lothrop/John Wanamaker	Arnold H Aronson	873	15,000	department stores
195	231	•Kohl's Department Stores	William Kellogg	870	12,000	department stores
196	142	Thrifty Oil	Ted Orden	865e	1,000	petroleum, convenience stores
197	218	Simpson Investment	William G Reed Jr	860e	8,000	lumber, logging, plywood doors
198	222	Bath Iron Works	Duane D Fitzgerald	850e	10,900	shipbuilding
199	250	•Arkansas Best	Robert A Young III	849	10,159	trucking, tire recapping
200	165	•Wickes Lumber	William A Hensler	847	5,000	building materials retailing
201	219	Wilbur-Ellis	Brayton Wilbur	840	2,000	distributing farm supplies & chemicals
202	213	AppleTree Markets	Arthur L Patch	838	2,803	grocery stores
203	264	•Musicland Group	Jack W Eugster	836	10,000	specialty music stores
204	257	Schneider National	Donald J Schneider	832	11,000	trucking
205	209	JPS Textile Group	Steven Friedman	821	8,500	carpet, elastics, apparel, industrial fabrics
206	■	K-III Holdings	William F Reilly	820e	3,300	publishing, information svcs
207	245	Rich Products	Robert E Rich Jr	820	6,500	frozen foods, pro sports, broadcasting
208	216	Schal Associates	Richard C Halpern	820e	260	residential construction, consulting
209	200	•Amsted Industries	Gordon Lohman	817	7,600	RR & industrial equip, bldg materials
210	215	•Uniroyal Chemical	Robert J Mazaika	803e	2,800	chemicals
211	166	Andersen Corp	Jerold W Wulf	800e	3,000	windows, patio doors
212	167	Chilewich Sons	Simon Chilewich	800e	850	commodity trading, cattle, meatpacking
213	247	Gordon Food Service	Paul Gordon	800e	1,800	food distributing
214	185	Metallurg	Michael A Standen	800	3,200	manufactures metals & alloys
215	152	Potamkin Manhattan	Victor Potamkin[1]	800	2,000	auto dealerships, communications
216	207	•Sweetheart Holdings	Philip White	800e	8,000	paper prods
217	212	Young's Market	Vernon O Underwood Jr	800	1,650	food, spirits & wine distributor
218	227	Hunt Corp	Robert C Hunt	792	2,512	general contracting, construction mgmt
219	220	Crown American	Frank J Pasquerilla	791	10,000	dept strs, shopping malls, real est, motels
220	224	American Protection Industries	Stewart Resnick	785e	4,900	TeleFlora, Franklin Mint

■Not on last year's list. •Went private via leveraged buyout since 1986. e: Estimate. [1]Robert and Alan Potamkin are co-chief executives.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
221	232	United Van Lines	Maurice Greenblatt	$783	950	moving svcs
222	307	International Data Group	Patrick J McGovern	780	4,200	computer publications, mkt research
223	206	Maritz	William E Maritz	780e	5,500	marketing research & business svcs
224	243	Duchossois Industries	Richard L Duchossois	775e	9,000	railroad equip
225	268	Tang Industries	Cyrus Tang	775e	3,500	metal fabricating & distributing
226	230	84 Lumber	Joseph A Hardy Sr	767	2,925	building materials retailing
227	134	Tishman Realty & Construction	John Tishman	765	660	construction mgmt & real estate
228	■	BE&K	Theodore C Kennedy	756	12,915	construction, engineering & maintenance
229	302	New Hampshire Oak	Michael D Dingman	753	3,400	chemical & industrial prods
230	261	●White Swan	Ronald E Elmquist	740	1,725	food wholesaling
231	226	Gillett Holdings[1]	George N Gillett Jr	735e	4,800	broadcasting, meatpacking, resorts
232	211	●Harvard Industries	William D Hurley	735e	7,500	auto & aerospace equip
233	251	●Farm Fresh	Michael E Julian	735	3,400	grocery stores
234	270	Drummond	Garry N Drummond	734	2,800	coal
235	■	Island Lincoln-Mercury	R Bruce Deardoff	732	52	auto dealerships
236	228	Johnson & Higgins	David A Olsen	731	8,102	insur brokerage, risk mgmt consulting
237	318	Racetrac Petroleum	Carl Bolch Jr	727	2,041	convenience stores, retail gasoline
238	256	Coca-Cola Bottling Co of Chicago	Marvin J Herb	723e	4,000	soft drinks
239	246	WWF Paper	Edward V Furlong Jr	720	479	fine paper converter & distributor
240	309	Battelle Memorial Institute	Douglas E Olesen	718	7,791	technology & development
241	295	●DynCorp	Dan Bannister	717	18,000	technical & professional svcs
242	281	ClubCorp International	Robert H Dedman	715	15,200	manages & owns private clubs, resorts, S&L
243	253	●Ampex	Edward Bramson	708	4,500	tv, broadcast equip, magnetic tape
244	241	Horsehead Industries	William E Flaherty	707	2,750	zinc, carbon, graphite, environmental svcs
245	267	HB Zachry	H Bartell Zachry Jr	704	8,800	general contracting
246	233	Homeland Stores	Max E Raydon	703	7,000	grocery stores
247	306	GSC Enterprises	Michael K McKenzie	703	1,500	food wholesaling
248	217	MorningStar Group	James A Bach	703	2,107	dairy & food processing
249	■	Unifax	Frank H Bevevino	700	2,000	food distributing
250	312	Associated Metals & Minerals	Colin H Benjamin	700	198	steel & metal trading
251	201	Border Fuel Supply	William Arrington	700e[2]	25	oil trading
252	190	Brookshire Grocery	Bruce G Brookshire	700e	3,500	grocery stores
253	292	Minyard Food Stores	Liz Minyard[3]	700	3,123	grocery stores
254	■	Moorman Manufacturing	TL Shade	700	3,500	livestock feed & equip
255	242	Tennessee Restaurant	Donald N Smith	700	7,200	Friendly's & Perkins Family Restaurants
256	252	ABCO Markets	Edward G Hill	699	1,924	grocery stores
257	236	●International Controls	David R Markin	693	3,725	truck trailer mfg, auto stamping, insurance
258	334	Humiston-Keeling	Burton H Olin	692	195	wholesales pharmaceuticals
259	272	King Kullen Grocery	John B Cullen	690e	2,300	grocery stores
260	194	●Kendall	Richard A Gilleland	688	8,700	health care products
261	239	Roseburg Forest Products	William A Whelan	687	4,100	forest products
262	249	Cone Mills	J Patrick Danahy	684	8,375	textiles
263	277	B Green & Co	Bernard Green	675	1,200	food wholesaling, grocery stores
264	305	Hendrick Management	JR Hendrick III	675	1,507	auto dealerships, sportswear, motorsports
265	269	Andersons	Richard P Anderson	671	896	agribusiness, consumer prods

■ Not on last year's list. ● Went private via leveraged buyout since 1986. e: Estimate. [1]In Chapter 11. [2]Excludes revenues from Northwest Crude. [3]Gretchen Minyard is co-chairperson.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
266	310	WL Gore & Associates	Robert W Gore	$670	5,450	fabrics, electronics, indus & med prods
267	266	Towers, Perrin	John T Lynch	670	5,000	consulting, reinsurance
268	285	Braman Enterprises	Norman Braman	668	830	auto dealerships
269	329	•Joy Technologies[1]	Marc F Wray	668	4,700	mining & industrial equip
270	326	•Silgan	D Greg Horrigan	658	4,420	steel, aluminum & plastic containers
271	276	•Catalyst Energy	Tom B Pickens III	657e	1,300	alternative producer of elec & steam energy
272	279	Charles Pankow Builders	Charles Pankow	657	142	general contracting, construction
273	229	•Insilco[2]	Joel L Reed	651	6,700	metal fabricating,electronics,commun, paints
274	265	•Big V Supermarkets	David G Bronstein	650e	4,100	grocery stores
275	286	Chase Enterprises	David T Chase	650	5,500	real estate, media, investments
276	371	•Elder-Beerman Stores	Milton E Hartley	650e	8,000	department stores
277	301	•Ethan Allen	M Farooq Kathwari	650	9,000	furniture, accessories, rugs
278	364	Alamo Rent A Car	Michael S Egan	645	5,500	auto rental
279	320	MA Mortenson	MA Mortenson Jr	643	1,670	general contract, construct mgmt, design
280	308	Marley	Robert J Dineen	642	4,800	cooling towers, boilers, pumps, heating equip
281	255	Sealy	Malcolm Candlish	642	4,500	mattresses, waterbeds, sofa beds
282	278	HCB Contractors	Lawrence A Wilson	640	400	general contracting, construction mgmt
283	303	Horace Mann Educators[1]	Paul J Kardos	639	1,570	insurance
284	304	•Long John Silver's[3]	Clinton A Clark	633	3,000	restaurants
285	319	Barton Malow	Ben C Maibach Jr	630	581	general contracting, construct mgmt
286	■	Dart Container	Kenneth Dart	630e	3,000	foam cups, plastic prods
287	263	Exide	Arthur Hawkins	630e	6,400	auto & industrial batteries
288	298	•Lechmere	C George Scala	627	3,200	discount stores
289	357	Day & Zimmermann	Harold L Yoh Jr	627	12,800	engineering, consulting, business svcs
290	293	Encyclopaedia Britannica	Robert P Gwinn	627e	2,300	reference books, educational svcs
291	332	Jordan Motors	Jordan Kapson	627e	115	auto dealerships
292	289	•Mayfair Supermarkets	Stanley P Kaufelt	625	5,100	grocery stores
293	315	Warren Equities	Warren Alpert	625	1,605	petroleum prods, convenience stores
294	330	Coulter Electronics	Wallace H Coulter	623e	5,500	medical & electronic equip
295	■	Melvin Simon & Associates	Melvin Simon	620e	4,000	real estate development & management
296	324	UIS	Harry Lebensfeld	619	6,800	auto parts
297	271	•MG Holdings[4]	Michael L Smith	618	2,800	Mayflower moving svcs, bus transportation
298	297	•Bell & Howell	William J White	612	5,934	publishing, info systems, mail handling equip
299	275	Brenlin Group	David L Brennan	610	4,200	metal fabricating, steel
300	■	Hale-Halsell	Robert D Hawk	607	3,662	food distributor
301	395	United	James W McGlothlin	605	1,280	coal mining, oil drilling, real estate
302	369	Bacardi Imports	Juan Grau	602	288	distilled spirits & wine
303	316	American Foods Group	Carl Kuehne	600e	1,374	meatpacking
304	283	Arcata	Edward L Scarff	600	7,200	book & magazine printing
305	■	Fiesta Mart	Donald L Bonham	600	5,300	grocery stores
306	372	Guess?	Georges Marciano	600	1,800	apparel
307	374	Haworth	Richard G Haworth	600	4,500	office furniture
308	325	MediaNews Group	W Dean Singleton	600e	600	newspapers
309	296	•Tracor	James B Skaggs	600e	7,000	defense electronics, engineering
310	■	Quality King Distributors	Bernard Nussdorf	598e	460	health & beauty aids, pharmaceuticals

■Not on last year's list. •Went private via leveraged buyout since 1986. e: Estimate. [1]Announced plans to go public. [2]In Chapter 11. [3]Formerly Jerrico. [4]Listed as Mayflower Group on 1990 table.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
311	313	LL Bean	Leon A Gorman	$597	3,200	outdoor sporting goods retailing & marketing
312	347	●Hall-Mark Electronics	Joseph W Semmer	595	1,450	electronic components, computer systems
313	340	Lykes Bros	Thompson L Rankin	594e	3,000	food processing, insurance
314	287	Flying J	Robert Anderson	592	4,000	integrated petroleum
315	375	Mennen	L Donald Horne	588e	3,000	personal care products, paper goods
316	294	●AFG Industries	RD Hubbard	584	4,100	flat glass manufacturing
317	390	QuikTrip	Chester Cadieux	584	1,901	convenience stores, gasoline retailing
318	■	●Republic Engineered Steels	Russell W Maier	582	4,725	steel products
319	322	Georgetown Industries	Roger R Regelbrugge	581	3,500	steel mfg, lumber distrib, home furnishings
320	■	GF Industries	Wilfred Uytengsu	580e	4,000	snacks & biscuits
321	321	Jordache Enterprises	J Nakash	580	3,000	apparel
322	■	Ravenswood Aluminum	R Emmett Boyle	579	1,600	aluminum
323	333	ICC Industries	John J Farber	578	1,400	chemicals
324	346	Georgia Crown Distributing	Donald M Leebern Jr	578e	1,600	beverage distribution
325	331	●Morse Shoe[1]	Manuel Rosenberg	577	4,000	shoes
326	339	Menasha	WH Drew	577	4,000	packaging, plastics, forest prods, printing
327	290	McCarthy	Michael M McCarthy	575	650	general contracting, construction mgmt
328	393	Rosenthal Cos	Robert M Rosenthal	575	1,200	auto dealerships
329	344	Chemcentral	H Daniel Wenstrup	565	780	chemical distributing
330	341	Rock-Tenn	A Worley Brown	564	4,934	paperboard & packaging prods
331	337	Crawford Fittings	FJ Callahan	560e	5,000	valves, pipe fittings
332	282	AmeriServ	John P Lewis	558	1,200	food distributing
333	314	●Jim Walter	Dennis M Ross	555	3,000	building materials
334	■	Sullivan Graphics	James T Sullivan	554	4,060	printing
335	349	Topa Equities Ltd	John E Anderson	553	1,100	insurance, financial svcs, beverage distrib
336	399	McJunkin	HB Wehrle III	553	1,200	distrib piping & electrical equip
337	■	●Almacs Supermarkets	Greg Mays	551	4,247	grocery stores
338	■	Bashas'	Edward N Basha Jr	550e	4,500	grocery stores
339	376	Morse Diesel International	Donald H Piser	550	525	construction, consulting
340	■	Ormet	R Emmett Boyle	550	2,200	aluminum billets
341	380	Titan Industrial	Michael S Levin	550e	380	steel marketing
342	378	S&P	Lutz Isslieb	550	3,000	Pabst, Falstaff & Pearl beers, real estate
343	354	Placid Oil	——[2]	549e	750	oil & gas exploration
344	356	●Envirodyne Industries	Donald P Kelly	544	4,700	sausage casings, plastics
345	397	ER Carpenter	Stanley F Pauley	543	8,500	polyurethane foam
346	362	Dr Pepper/Seven-Up Cos	John R Albers	540	875	soft drinks
347	359	Wawa	Richard D Wood Jr	540	2,100	convenience stores
348	■	West Publishing	Dwight D Opperman	540e	4,000	law books, college textbooks, Westlaw
349	384	Sverdrup	Brice R Smith Jr	540	5,100	engineering, architec, construct, tech svcs
350	392	Leo Burnett	Hall Adams Jr	532	6,200	advertising
351	■	Bugle Boy	William Mow	530	1,620	apparel
352	381	Treasure Chest Advertising	Sanford G Scheller	530	3,201	printing circulars
353	355	Wheaton Industries	Robert I Veghte	530e	8,000	glass manufacturing, plastics
354	■	MTS	Russ Solomon	528	5,040	retails records, books, videos
355	358	Lewis Homes Group	John M Goodman	528	588	residential construction, real estate devel

■Not on last year's list. ●Went private via leveraged buyout since 1986. e: Estimate. [1]In Chapter 11. [2]Currently no chief executive.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
356	299	Inland Group	Daniel L Goodwin	$528	900	brokerage, management, syndication, finance
357	345	DiFeo Automotive Group	Sam DiFeo	527	1,067	auto dealerships
358	335	Asplundh Tree Expert	Edward K Asplundh	525e	14,000	tree trimming for electric utilities
359	■	•Carr Gottstein Foods	John J Cairns	525e	2,450	grocery stores, food distrib, liquor retailing
360	398	Rugby-Darby Group Cos	Michael Ashkin	525e	2,400	wholesales generic drugs
361	254	Shapell Industries	Nathan Shapell	522	220	land developing, construction
362	■	Harbour Group Ltd	Sam Fox	520	4,600	medical prods, cutting tools, pumps
363	311	North Pacific Lumber	TJ Tomjack	520	354	forest, agriculture & steel prods wholesaling
364	394	Walbridge, Aldinger	John Rakolta Jr	520	1,470	general contracting, construct & program mgmt
365	■	D'Arcy Masius Benton & Bowles	Roy Bostock	517	5,500	advertising
366	■	CompuAdd	Bill H Hayden	516	1,500	mfg & retailing microcomputers & equipment
367	352	CC Industries	Neele E Stearns	515	5,600	home furnishings, paper, real estate
368	350	Alling & Cory	Samuel T Hubbard Jr	515	1,202	paper, packaging, business prods
369	366	Esstar	Robert A Haversat Sr	510	4,000	hardware
370	353	MTD Products	Curtis E Moll	510e	4,500	outdoor power equipment
371	■	Dick Corp	Dorsey W Dick	508	2,500	commercial & industrial construction
372	370	Booz, Allen & Hamilton	William Stasior	507	4,100	management & technology consulting
373	■	Swinerton & Walberg	Milo S Gates	505	1,014	general contracting
374	328	Hensel Phelps Construction	Jerry L Morgensen	504	1,995	commercial construction
375	343	Aarque Cos	R Quintus Anderson	500e	2,700	metal fabricating
376	258	Harbert	Raymond J Harbert	500e	2,200	commercial construct, real est devel
377	338	Irvine	Donald Bren	500	350	real estate development
378	365	WB Johnson Properties	William B Johnson	500e	14,000	Ritz Carlton hotels, restaurants
379	377	Parsons & Whittemore	George Landegger	500	1,500	pulp & paper, industrial machinery
380	235	•Pullman	William Turner	500	6,200	transportation equip, auto parts
381	■	Washington Steel[1]	Thomas C Graham	500	1,200	steel products
382	383	Whiting-Turner Contracting	Wilard Hackerman	500	1,250	general contracting & construction mgmt
383	■	Ziff Communications	William B Ziff Jr	500e	2,300	magazines, direct marketing
384	■	•Pay 'N Pak[2]	John Markley	498	3,350	home improvement centers
385	■	•Buttrey Food & Drug	Edward C Agnew	496e	2,700	grocery stores
386	386	Austin Industries	William T Solomon	495	6,000	general contracting & construction mgmt
387	368	Arcadian	R James Comeaux	491	1,133	fertilizers & industrial chemicals
388	■	Flint Ink	Robert H Flint	490	2,510	printing ink
389	387	Pepper Cos	Richard S Pepper	490e	1,000	general contracting
390	389	Sierra Pacific Industries	Red Emmerson	490	2,400	lumber wholesaling
391	■	Mary Kay Cosmetics	Richard R Rogers	487	1,722	cosmetics
392	396	Freedom Newspapers	DR Segal	485e	5,200	publishing, tv
393	■	Chemoil	Robert V Chandran	482	120	marine fuel supply
394	288	Koll	Donald M Koll	482	1,043	real estate development
395	■	Perry H Koplik & Sons	Michael R Koplik	481	67	forest products
396	■	Esprit de Corp	Isaac Stein	480	1,200	apparel
397	■	Baker & McKenzie	Robert Cox	478	4,842	law offices
398	323	•Lear Siegler	William J Turner	478	4,000	industrial equip, material handling systems
399	■	Journal Communications	Thomas J McCollow	477	4,300	newspapers, broadcasting, printing
400	■	Dobbs Brothers Management	Jimmy Dobbs III	476	1,300	auto dealerships

■Not on last year's list. •Went private via leveraged buyout since 1986. e: Estimate. [1]Formerly Mercury Stainless. [2]In Chapter 11.

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

The alphabetical listing below cross-references the sales ranking that begins on page 254. For those companies taken private since 1986, we give the year of the transaction.

Company	Rank
A-Mark Financial 100 Wilshire Boulevard, 3rd Floor Santa Monica, CA 90401 310-319-0200	159
Aarque Cos PO Box 310 Jamestown, NY 14701 716-664-6014	375
ABCO Markets 3001 West Indian School Road Phoenix, AZ 85017 602-222-1600	256
Advance Publications 950 Fingerboard Road Staten Island, NY 10305 718-981-1234	33
AFG Industries (1988) 301 Commerce Street, Suite 3300 Fort Worth, TX 76102 817-332-5006	316
Alamo Rent A Car 110 South East Sixth Street Fort Lauderdale, FL 33301 305-522-0000	278
Alco Health Services (1989) PO Box 959 Valley Forge, PA 19482 215-296-4480	42
John Alden Financial 7300 Corporate Center Drive Miami, FL 33126 305-470-3100	115
Alling & Cory PO Box 20403 Rochester, NY 14602 716-454-1880	368
Almacs Supermarkets (1991) One Noyes Street East Providence, RI 02916 401-438-2700	337
Amerco 1325 Airmotive Way, Suite 100 Reno, NV 89502 702-688-6300	166
American Financial One East Fourth Street Cincinnati, OH 45202 513-579-2121	6
American Foods Group 544 Acme Street Green Bay, WI 54308 414-437-6330	303
American Protection Industries 12233 W Olympic Boulevard, Suite 380 Los Angeles, CA 90064 213-442-5700	220
American Standard (1988) 1114 6th Avenue, 19th Floor New York, NY 10036 212-703-5100	29
AmeriServ 13355 Noel Road, Suite 2225 Dallas, TX 75240 214-385-8595	332
Ampex (1987) 401 Broadway Redwood City, CA 94063 415-367-4150	243
Amsted Industries (1986) 205 N Michigan Ave Chicago, IL 60601 312-645-1700	209
Amway 7575 Fulton Street East Ada, MI 49355 616-676-6000	46
Andersen Corp 100 Fourth Avenue North Bayport, MN 55003 612-439-5150	211
Arthur Andersen & Co, SC 1345 Sixth Avenue New York, NY 10105 212-708-4000	21
Andersons 1200 Dussel Drive Maumee, OH 43537 419-893-5050	265
Anschutz 555 17th Street, Suite 2400 Denver, CO 80202 303-298-1000	52
AppleTree Markets 4301 Windfern Lane Houston, TX 77041 713-460-5000	202

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

Company	Rank
ARA Services The ARA Tower, 1101 Market Street Philadelphia, PA 19107 215-238-3000	20
Arcadian 6750 Poplar Avenue, Suite 600 Memphis, TN 38138 901-758-5200	387
Arcata 601 California Street, Suite 1800 San Francisco, CA 94108 415-781-4200	304
Arkansas Best (1988) 1000 South 21st Street Fort Smith, AR 72901 501-785-6000	199
Asplundh Tree Expert 708 Blair Mill Road Willow Grove, PA 19090 215-784-4200	358
Associated Metals & Minerals Three North Corporate Park Drive White Plains, NY 10604 914-251-5400	250
Austin Industries PO Box 1590 Dallas, TX 75221 214-443-5500	386
Avis (1987) 900 Old Country Road Garden City, NY 11530 516-222-3000	116
Bacardi Imports 2100 Biscayne Boulevard Miami, FL 33137 305-573-8511	202
Baker & McKenzie One Prudential Plaza, Suite 3900 Chicago, IL 60601 312-861-8800	397
Barton Malow PO Box 5200 Detroit, MI 48235 313-351-4500	285
Bashas' PO Box 488 Chandler, AZ 85244 602-895-9350	338
Bath Iron Works 700 Washington Street Bath, ME 04530 207-443-3311	198
Battelle Memorial Institute 505 King Avenue Columbus, OH 43201 614-424-6424	240
BE&K 2000 International Park Drive Birmingham, AL 35243 205-969-3600	228
LL Bean Casco Street Freeport, ME 04033 207-865-4761	311
Bechtel Group PO Box 193965 San Francisco, CA 94119 415-768-1234	11
BeefAmerica 5600 Harry Anderson Avenue Omaha, NE 68137 402-896-2400	75
Belk Stores Services 2801 West Tyvola Road Charlotte, NC 28217 704-357-1000	50
Bell & Howell (1988) 5215 Old Orchard Road Skokie, IL 60077 708-470-7100	298
Best Products (1988) PO Box 26303 Richmond, VA 23260 804-261-2000	73
Big V Supermarkets (1987) 176 North Main Street Florida, NY 10921 914-651-4411	274
Booz, Allen & Hamilton 101 Park Avenue New York, NY 10178 212-697-1900	372
Border Fuel Supply 6400 S Fiddler's Green Circle, Suite 800 Englewood, CO 80111 303-770-1600	251
Borg-Warner (1987) 200 South Michigan Avenue Chicago, IL 60604 312-322-8500	53
Braman Enterprises 2800 Biscayne Boulevard Miami, FL 33137 305-576-2051	268
Brenlin Group 670 West Market Street Akron, OH 44303 216-762-2420	299
Brookshire Grocery PO Box 1411 Tyler, TX 75710 903-534-3000	252
Budget Rent a Car (1989) 200 North Michigan Avenue Chicago, IL 60601 312-580-5000	167
Bugle Boy 2900 Madera Road Simi Valley, CA 93065 805-582-1010	351
Burlington Industries (1987) 3330 West Friendly Avenue Greensboro, NC 27410 919-379-2000	55
Leo Burnett 35 West Wacker Drive Chicago, IL 60601 312-220-5959	350
Buttrey Food & Drug (1990) 601 Sixth Street SW Great Falls, MT 59403 406-761-3401	385
C&S Wholesale Grocers Old Ferry Road Brattleboro, VT 05301 802-257-4371	153
Cargill PO Box 9300 Minneapolis, MN 55440 612-475-7575	1
Carlson Cos Carlson Parkway, PO Box 59159 Minneapolis, MN 55459 612-540-5000	17
ER Carpenter PO Box 27205 Richmond, VA 23261 804-359-0800	345
Carr Gottstein Foods (1990) 6411 A Street Anchorage, AK 99518 907-561-1944	359
Catalyst Energy (1988) 535 Madison Avenue, 18th Floor New York, NY 10022 212-826-8600	271
Caterair International 7811 Montrose Road, Suite 400 Potomac, MD 20854 301-309-2800	146
CC Industries 222 North LaSalle Street Chicago, IL 60601 312-855-4000	367
Charter Medical (1988) 577 Mulberry Street Macon, GA 31298 912-742-1161	117

Company	Rank
Chase Enterprises One Commercial Plaza Hartford, CT 06103 203-549-1674	275
Chemcentral 7050 West 71st Street Chicago, IL 60638 708-594-7000	329
Chemoil Four Embarcadero Center, Suite 2450 San Francisco, CA 94111 415-956-3834	393
Chicago & North Western Transp (1989) One North Western Center Chicago, IL 60606 312-559-7000	173
Chilewich Sons Twelve Water Street White Plains, NY 10601 914-997-2000	212
Clark Enterprises 7500 Old Georgetown Road Bethesda, MD 20814 301-657-7100	127
ClubCorp International 3030 LBJ Freeway Dallas, TX 75234 214-243-6191	242
Coca-Cola Bottling Co of Chicago 7400 North Oak Park Avenue Chicago, IL 60648 312-775-0900	238
Coltec Industries (1988) 430 Park Avenue New York, NY 10022 212-940-0400	90
CompuAdd 12303 Technology Boulevard Austin, TX 78727 512-250-1489	366
Cone Mills 1201 Maple Street Greensboro, NC 27405 919-379-6220	262
Connell 45 Cardinal Drive Westfield, NJ 07090 908-233-0700	160
Connell Limited Partnership One International Place, 31st Floor Boston, MA 02110 617-737-2700	190
Continental Cablevision The Pilot House, Lewis Wharf Boston, MA 02110 617-742-9500	177
Continental Grain 277 Park Avenue New York, NY 10172 212-207-5100	3
Coopers & Lybrand 1301 Sixth Avenue New York, NY 10019 212-536-2000	18
Coulter Electronics 600 Coulter Way Hialeah, FL 33010 305-885-0131	294
Cox Enterprises PO Box 105357 Atlanta, GA 30348 404-843-5123	62
Crawford Fittings 29500 Solon Road Solon, OH 44139 216-248-4600	331
Crowley Maritime 155 Grand Avenue Oakland, CA 94612 415-251-7500	129
Crown American Pasquerilla Plaza Johnstown, PA 15907 814-536-4441	219
Cullum Cos (1988) 14303 Inwood Road Dallas, TX 75244 214-661-9700	134
Cumberland Farms 777 Dedham Street Canton, MA 02021 617-828-4900	72
D'Arcy Masius Benton & Bowles 1675 Broadway New York, NY 10019 212-468-3622	365
Dart Container 1952 Field Road Sarasota, FL 34231 813-925-2066	286
Day & Zimmermann 1818 Market Street Philadelphia, PA 19103 215-299-8000	289
Edward J DeBartolo 7620 Market Street Youngstown, OH 44513 216-758-7292	99
Del Monte Foods (1990) One Market Plaza San Francisco, CA 94105 415-442-4000	93
Delaware North Cos 438 Main Street Buffalo, NY 14202 716-858-5000	96
Deloitte & Touche 10 Westport Road Wilton, CT 06897 203-761-3000	25
DeMoulas Super Markets 875 East Street Tewksbury, MA 01876 508-851-7381	112
DHL Worldwide Express 333 Twin Dolphin Drive Redwood City, CA 94065 415-593-7474	59
Dick Corp PO Box 10896 Pittsburgh, PA 15236 412-384-1000	371
DiFeo Automotive Group 585 Route 440 Jersey City, NJ 07304 201-433-9297	357
DiGiorgio (1990) Two Executive Drive Somerset, NJ 08873 908-469-4444	130
Dillingham Construction (1987) 5960 Inglewood Drive Pleasanton, CA 94588 415-463-3300	175
Dobbs Brothers Management 5170 Sanderlin Avenue, Suite 102 Memphis, TN 38117 901-685-8881	400
Dr Pepper/Seven-Up Cos 8144 Walnut Hill Lane Dallas, TX 75231 214-360-7000	346
Dominick's Finer Foods 505 Railroad Avenue Northlake, IL 60164 708-562-1000	64
Domino's Pizza 30 Frank Lloyd Wright Drive Ann Arbor, MI 48105 313-930-3030	133
Drummond PO Box 1549 Jasper, AL 35501 205-387-0501	234
Duchossois Industries 845 Larch Avenue Elmhurst, IL 60126 708-279-3600	224

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

Company	Rank
Dunavant Enterprises PO Box 443 Memphis, TN 38101 901-369-1500	76
DynCorp (1987) 2000 Edmund Halley Drive Reston, VA 22091 703-264-0330	241
Dyson-Kissner-Moran 230 Park Avenue New York, NY 10169 212-661-4600	45
Eby-Brown Cos 1001 Sullivan Road Aurora, IL 60507 708-897-8792	147
Jack Eckerd (1986) PO Box 4689 Clearwater, FL 34618 813-397-7461	32
84 Lumber PO Box 8484 Eighty Four, PA 15384 412-228-8820	226
Elder-Beerman Stores (1987) 3155 El-Bee Road Dayton, OH 45439 513-296-2700	276
Encyclopaedia Britannica 310 South Michigan Avenue Chicago, IL 60604 312-347-7000	290
Enterprise Rent-A-Car 8850 Ladue Road St Louis, MO 63124 314-863-7000	150
Envirodyne Industries (1989) 701 Harger Road, Suite 121 Oak Brook, IL 60521 708-575-2400	344
Epic Healthcare Group PO Box 650398 Dallas, TX 75265 214-443-3333	105
Ernst & Young 277 Park Avenue New York, NY 10172 212-773-3000	12
Esprit de Corp 900 Minnesota Street San Francisco, CA 94107 415-648-6900	396
Essex Group (1988) PO Box 1601 Fort Wayne, IN 46801 219-461-4000	165
Esstar 555 Long Wharf Drive, Suite 12 New Haven, CT 06511 203-777-2274	369
Estée Lauder Cos 767 Fifth Ave New York, NY 10153 212-572-4200	58
Ethan Allen (1989) Ethan Allen Drive Danbury, CT 06813 203-743-8000	277
Exide PO Box 14205 Reading, PA 19612 215-378-0500	287
Farley Industries 233 South Wacker Drive, Suite 5000 Chicago, IL 60606 312-876-7000	191
Farm Fresh (1988) 7530 Tidewater Drive Norfolk, VA 23505 804-480-6700	233
Fidelity Investments 82 Devonshire Street Boston, MA 02109 617-570-7000	108
Fiesta Mart 5235 Kety Freeway Houston, TX 77007 713-869-5060	305
Flint Ink 25111 Glendale Avenue Detroit, MI 48239 313-538-6800	388
Flying J PO Box 678 Brigham City, UT 84302 801-734-6400	314
Food 4 Less 250 West First Street, Suite 210 Claremont, CA 91711 714-626-8776	34
Foodmaker (1988) PO Box 783 San Diego, CA 92112 619-571-2121	124
Fort Howard (1988) PO Box 19130 Green Bay, WI 54307 414-435-8821	128
Frank Consolidated Enterprises 666 Garland Place Des Plaines, IL 60016 708-699-7000	91
Freedom Newspapers PO Box 19549 Irvine, CA 92713 714-553-9292	392
Furr's Supermarkets (1991) PO Box 10267 Albuquerque, NM 87184 505-344-6525	186
GAF (1989) 1361 Alps Road Wayne, NJ 07470 201-628-3000	181
E&J Gallo Winery PO Box 1130 Modesto, CA 95353 209-579-3111	136
Gates PO Box 5887 Denver, CO 80217 303-744-1911	100
General Instrument (1990) 181 West Madison, 49th Floor Chicago, IL 60602 312-541-5000	106
Georgetown Industries 1901 Roxborough Road Charlotte, NC 28211 704-366-6901	319
Georgia Crown Distributing PO Box 7908 Columbus, GA 31908 404-568-4580	324
GF Industries 930 98th Avenue Oakland, CA 94603 415-635-5400	320
Giant Eagle 101 Kappa Drive Pittsburgh, PA 15238 412-963-6200	86
Gilbane Building Seven Jackson Walkway Providence, RI 02940 401-456-5800	110
Gillett Holdings 555 17th Street, Suite 3300 Denver, CO 80202 303-292-0045	231
Global Petroleum 800 South Street Waltham, MA 02154 617-894-8800	40
Golden State Foods 234 East Colorado Boulevard, Suite 800 Pasadena, CA 91101 818-793-3135	152

Company	Rank
Goldman, Sachs & Co 85 Broad Street New York, NY 10004 212-902-1000	16
Golodetz 666 Fifth Avenue New York, NY 10103 212-581-2400	113
Golub PO Box 1074 Schenectady, NY 12301 518-355-5000	137
Gordon Food Service PO Box 1787 Grand Rapids, MI 49501 616-530-7000	213
WL Gore & Associates 555 Papermill Road Newark, DE 19711 302-738-4880	266
Grand Union (1988) 201 Willowbrook Boulevard Wayne, NJ 07470 201-890-6000	35
Graybar Electric PO Box 7231 St Louis, MO 63177 314-727-3900	71
B Green & Co 3601 Washington Boulevard Baltimore, MD 21227 301-247-8300	263
Grocers Supply PO Box 14200 Houston, TX 77221 713-747-5000	138
GSC Enterprises PO Box 638 Sulphur Springs, TX 75482 903-885-7621	247
Guardian Industries 43043 West Nine Mile Road Northville, MI 48167 313-347-0100	164
Guess? 1444 South Alameda Los Angeles, CA 90021 213-765-3100	306
Gulf States Toyota PO Box 40306 Houston, TX 77240 713-744-3300	131
Gulfstream Aerospace (1990) PO Box 2206 Savannah, GA 31402 912-964-3000	148
H Group Holding 200 West Madison Street, 39th Floor Chicago, IL 60606 312-750-1234	37
Hale-Halsell PO Box 582898 Tulsa, OK 74158 918-835-4484	300
Hall-Mark Electronics (1988) 11333 Pagemill Road Dallas, TX 75243 214-343-5000	312
Hallmark Cards 2501 McGee Kansas City, MO 64108 816-274-5111	43
Harbert PO Box 1297 Birmingham, AL 35201 205-987-5500	376
Harbour Group Ltd 7701 Forsyth Blvd, Suite 600 St Louis, MO 63105 314-727-5550	362
Hartz Group 667 Madison Avenue New York, NY 10021 212-308-3336	187
Harvard Industries (1988) PO Box 527 Farmingdale, NJ 07727 908-938-9000	232
Haworth One Haworth Center Holland, MI 49423 616-393-3000	307
HCB Contractors 1400 Elm Street, Suite 4600 Dallas, TX 75202 214-747-8541	282
HealthTrust (1987) 4525 Harding Road Nashville, TN 37205 615-383-4444	63
Hearst 959 8th Ave New York, NY 10019 212-649-2000	68
HEB Grocery 646 South Main Avenue San Antonio, TX 78204 512-246-8000	38
Helmsley Enterprises 60 East 42nd Street New York, NY 10165 212-687-6400	94
Hendrick Management PO Box 18649 Charlotte, NC 28218 704-568-5550	264
Hensel Phelps Construction 420 Sixth Avenue, PO Box 0 Greeley, CO 80632 303-352-6565	374
Hillman 2000 Grant Building Pittsburgh, PA 15219 412-281-2620	87
Holiday Cos PO Box 1224 Minneapolis, MN 55440 612-830-8700	92
Holman Enterprises 7411 Maple Avenue Pennsauken, NJ 08109 609-663-5200	182
Homeland Stores PO Box 25008 Oklahoma City, OK 73125 405-557-5500	246
Hook-SupeRx 175 Tricounty Parkway Cincinnati, OH 45246 513-782-3000	66
Horace Mann Educators One Horace Mann Plaza Springfield, IL 62715 217-789-2500	283
Horsehead Industries 110 East 59th Street New York, NY 10022 212-527-3000	244
Hospital Corp of America (1989) One Park Plaza Nashville, TN 37203 615-327-9551	22
JM Huber 333 Thornall Street Edison, NJ 08818 908-549-8600	193
Hughes Markets 2716 San Fernando Road Los Angeles, CA 90065 213-227-8211	139
Humiston-Keeling 233 East Erie Street, Suite 200 Chicago, IL 60611 312-943-6066	258
Hunt Corp PO Box 128 Indianapolis, IN 46206 317-241-6301	218

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

Company	Rank
Huntsman Chemical 2000 Eagle Gate Tower Salt Lake City, UT 84111 801-532-5200	172
Hy-Vee Food Stores 1801 Osceola Avenue Chariton, IA 50049 515-774-2121	60
ICC Industries 720 Fifth Avenue New York, NY 10019 212-903-1700	323
Ingram Industries 4400 Harding Road Nashville, TN 37205 615-298-8200	44
Inland Group 2901 Butterfield Rd Oak Brook, IL 60521 708-218-8000	356
Insilco (1988) 300 North Marienfeld, Suite 400 Midland, TX 79701 915-684-4411	273
Interlaken Capital 165 Mason Street Greenwich, CT 06830 203-629-8750	36
International Controls (1987) 2016 North Pitcher Street Kalamazoo, MI 49007 616-343-6121	257
International Data Group One Exeter Plaza, 15th Floor Boston, MA 02116 617-534-1200	222
Irvine 550 Newport Center Drive Newport Beach, CA 92660 714-720-2000	377
Island Lincoln-Mercury 1850 E Merritt Island Causeway Merritt Island, FL 32952 407-452-9220	235
Jitney Jungle Stores of America PO Box 3409 Jackson, MS 39207 601-948-0361	183
JM Family Enterprises 100 Northwest 12th Avenue Deerfield Beach, FL 33442 305-429-2000	54
JMB Realty 900 North Michigan Avenue Chicago, IL 60611 312-440-4800	41
Johnson & Higgins 125 Broad Street New York, NY 10004 212-574-7000	236
SC Johnson Wax 1525 Howe Street Racine, WI 53403 414-631-2000	31
WB Johnson Properties 3414 Peachtree Road NE, Suite 300 Atlanta, GA 30326 404-237-5500	378
Johnston Coca-Cola Bottling Group 600 Krystal Building, Suite 600 Chattanooga, TN 37402 615-756-1202	123
Jordache Enterprises 226 West 37th Street New York, NY 10018 212-643-8400	321
Jordan 315 Park Avenue South, 20th Floor New York, NY 10010 212-460-1915	176
Jordan Motors 609 East Jefferson Boulevard Mishawaka, IN 46545 219-259-1981	291
Earle M Jorgensen (1990) 3050 East Birch Street Brea, CA 92621 714-579-8823	188
Journal Communications PO Box 661 Milwaukee, WI 53201 414-224-2000	399
Joy Technologies (1987) 301 Grant Street Pittsburgh, PA 15219 412-562-4500	269
JP Foodservice 7250 Parkway Drive, Suite 300 Hanover, MD 21076 301-712-7111	174
JPS Textile Group 555 North Pleasant Bird Drive, Suite 202 Greenville, SC 29607 803-271-9919	205
K-III Holdings 717 Fifth Avenue, 22nd Floor New York, NY 10022 212-745-0100	206
Kash n' Karry Food Stores (1988) 6422 Harney Road Tampa, FL 33610 813-621-0200	145
Kendall (1988) 15 Hampshire Street Mansfield, MA 02048 508-261-8000	260
Peter Kiewit Sons' 1000 Kiewit Plaza Omaha, NE 68131 402-342-2052	67
King Kullen Grocery 1194 Prospect Avenue Westbury, NY 11590 516-333-7100	259
Koch Industries 4111 East 37th Street North Wichita, KS 67220 316-832-5500	2
Kohl's Department Stores (1986) N54 W13600 Woodale Drive Menomonee Falls, WI 53051 414-783-5800	195
Kohler 444 Highland Drive Kohler, WI 53044 414-457-4441	95
Koll 4343 Von Karman Avenue Newport Beach, CA 92660 714-833-3030	394
Perry H Koplik & Sons 505 Park Avenue New York, NY 10022 212-752-2288	395
KPMG Peat Marwick 767 Fifth Avenue New York, NY 10153 212-909-5000	14
Lear Seating (1988) 21557 Telegraph Road Southfield, MI 48034 313-746-1500	143
Lear Siegler (1987) 220 South Orange Avenue Livingston, NJ 07039 201-535-9522	398
Leaseway Transportation (1987) 3700 Park East Drive Cleveland, OH 44122 216-765-5500	189
Lechmere (1989) 275 Wildwood Street Woburn, MA 01801 617-935-8320	288
Lefrak Organization 97-77 Queens Boulevard Rego Park, NY 11374 718-459-9021	39

Company	Rank
Lennox International PO Box 7999001 Dallas, TX 75379 214-497-5000	141
Levi Strauss & Co 1155 Battery Street San Francisco, CA 94111 415-544-6000	26
Levitz Furniture 6111 Broken Sound Parkway NW Boca Raton, FL 33487 407-994-6006	192
Lewis Homes Group PO Box 670 Upland, CA 91785 714-985-0971	355
Lexmark International 55 Railroad Avenue Greenwich, CT 06836 203-629-6700	65
Lincoln Property 500 North Akard, Suite 3300 Dallas, TX 75201 214-740-3300	77
Little Caesar Enterprises 2211 Woodward Avenue Detroit, MI 48201 313-983-6000	168
Long John Silver's (1989) 101 Jerrico Drive Lexington, KY 40579 606-263-6000	284
Lykes Bros PO Box 1690 Tampa, FL 33601 813-223-3981	313
William Lyon Cos 4490 Von Karman Avenue Newport Beach, CA 92660 714-833-3600	120
MacAndrews & Forbes Holdings 36 East 63rd Street New York, NY 10021 212-688-9000	24
RH Macy (1986) Eleven Penn Plaza New York, NY 10001 212-695-4400	8
Maritz 1375 North Highway Drive Fenton, MO 63099 314-827-4000	223
Marley 1900 Shawnee Mission Parkway Mission Woods, KS 66205 913-362-5440	280
Marmon Group 225 West Washington Street Chicago, IL 60606 312-372-9500	28
Mars 6885 Elm Street McLean, VA 22101 703-821-4900	5
Mary Kay Cosmetics 8787 Stemmons Freeway Dallas, Tx 75247 214-630-8787	391
Mayfair Supermarkets (1989) 681 Newark Avenue Elizabeth, NJ 07208 908-352-6400	292
McCarthy 1341 North Rock Hill Road St Louis, MO 63124 314-968-3300	327
McJunkin PO Box 513 Charleston, WV 25322 304-348-5211	336
McKinsey & Co 55 East 52nd Street New York, NY 10022 212-446-7000	178
MediaNews Group 4888 Loop Central Drive, Suite 525 Houston, TX 77081 713-295-3800	308
Meijer 2929 Walker, NW Grand Rapids, MI 49504 616-453-6711	15
Menasha PO Box 367 Neenah, WI 54957 414-751-1000	326
Mennen Hanover Avenue Morristown, NJ 07960 201-631-9000	315
Merchants Distributors PO Box 800 Hickory, NC 28603 704-323-4100	171
Metallurg 25 East 39th Street New York, NY 10016 212-686-4010	214
Metromedia One Meadowlands Plaza East Rutherford, NJ 07073 201-804-6400	57
MG Holdings (1986) PO Box 7941 Shawnee Mission, KS 66207 317-875-1469	297
Milliken & Co PO Box 1926 Spartanburg, SC 29304 803-573-2020	48
Minyard Food Stores PO Box 518 Coppell, TX 75019 214-393-8700	253
Montgomery Ward & Co (1988) Montgomery Ward Plaza Chicago, IL 60671 312-467-2000	13
Moorman Manufacturing 1000 North 30th Street Quincy, IL 62301 217-222-7100	254
MorningStar Group 5956 Sherry Lane, Suite 1100 Dallas, TX 75225 214-360-4700	248
Morse Diesel International 1515 Broadway, 41st Floor New York, NY 10036 212-730-4000	339
Morse Operations 1240 North Federal Highway Fort Lauderdale, FL 33304 305-568-0770	109
Morse Shoe (1987) 555 Turnpike Street Canton, MA 02021 617-828-9300	325
MA Mortenson PO Box 710 Minneapolis, MN 55440 612-522-2100	279
MTD Products PO Box 360900 Cleveland, OH 44136 216-225-2600	370
MTS 2500 Del Monte Street, Building C West Sacramento, CA 95691 916-373-2500	354
Musicland Group (1988) 7500 Excelsior Boulevard Minneapolis, MN 55426 612-932-7700	203
National Car Rental (1987) 7700 France Avenue South Minneapolis, MN 55435 612-830-2121	169

Company	Rank
New Hampshire Oak Liberty Lane Hampton, NH 03842 603-926-1340	229
North Pacific Lumber PO Box 3915 Portland, OR 97208 503-231-1166	363
NWA (1989) 5101 NW Drive St Paul, MN 55111 612-726-2111	7
Ormet State Route Seven Hannibal, OH 43931 614-483-1381	340
Owens-Illinois (1987) One Seagate Toledo, OH 43666 419-247-5000	27
Ozbow 1601 Forum Place West Palm Beach, FL 33402 407-697-4300	97
Pacific Holding 10900 Wilshire Boulevard, 16th Floor Los Angeles, CA 90024 213-208-6055	179
Charles Pankow Builders 2476 North Lake Ave Altadena, CA 91001 213-684-2320	272
Parsons 100 West Walnut Street Pasadena, CA 91124 818-440-2000	156
Parsons & Whittemore Four International Drive Rye Brook, NY 10573 914-937-9009	379
Pay 'N Pak (1987) 1209 South Central Avenue Kent, WA 98064 206-854-5450	384
Payless Cashways (1988) 2300 Main Street Kansas City, MO 64141 816-234-6000	56
Penske 13400 Outer Drive West Detroit, MI 48239 313-592-5000	47
Pepper Cos 643 North Orleans Street Chicago, IL 60610 312-266-4703	389
Perdue Farms PO Box 1537 Salisbury, MD 21802 301-543-3000	161
Phar-Mor PO Box 400 Youngstown, OH 44501 216-746-6641	49
Placid Oil 3800 Thanksgiving Tower Dallas, TX 75201 214-880-1000	343
PMC PO Box 1367 Sun Valley, CA 91353 818-896-1101	154
Polo Ralph Lauren 650 Madison Avenue New York, NY 10022 212-318-7000	82
Potamkin Manhattan 787 Eleventh Avenue New York, NY 10019 212-603-7231	215
Price Waterhouse 1251 Sixth Avenue New York, NY 10020 212-819-5000	30
Prime Computer (1990) 100 Crosby Drive Bedford, MA 01730 617-275-1800	80
Prospect Motors 645 Highway 49 & 88 N Jackson, CA 95642 209-223-1740	151
Publix Super Markets PO Box 407 Lakeland, FL 33802 813-688-1188	10
Pueblo International (1988) 1300 NW 22nd Street Pompano Beach, FL 33069 305-977-2500	142
Pullman (1988) 220 South Orange Avenue Livingston, NJ 07039 201-535-9522	380
Quality King Distributors 2060 Ninth Avenue Ronkonkoma, NY 11779 516-737-5555	310
QuikTrip PO Box 3475 Tulsa, OK 74101 918-836-8551	317
Rabco Health Services 444 Madison Avenue, Suite 601 New York, NY 10022 212-688-4500	104
Racetrac Petroleum PO Box 105035 Atlanta, GA 30348 404-431-7600	237
Raley's 500 West Capitol Avenue West Sacramento, CA 95605 916-373-3333	98
Randall's Food Markets 3663 Briar Park Houston, TX 77042 713-268-3500	162
Ravenswood Aluminum PO Box 98 Ravenswood, WV 26164 800-258-6686	322
Red Apple Group 823 Eleventh Avenue New York, NY 10019 212-580-6805	61
Reliance Electric (1986) 6065 Parkland Boulevard Cleveland, OH 44124 216-266-5800	83
Republic Engineered Steels (1989) 410 Oberlin Road SW Massillon, OH 44647 216-837-6302	318
Restaurant Enterprises Group One Park Plaza Jamboree Center, Suite 900 Irvine, CA 92714 714-852-5745	184
Revco DS (1986) 1925 Enterprise Parkway Twinsburg, OH 44087 216-425-9811	69
Rich Products 1150 Niagara Street Buffalo, NY 14213 716-878-8000	207
Riklis Family 667 Madison Avenue, 12th Floor New York, NY 10021 212-735-9500	84
CH Robinson 8100 Mitchell Road, Suite 200 Eden Prairie, MN 55344 612-937-8500	185
Rock-Tenn PO Box 4098 Norcross, GA 30091 404-448-2193	330

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Company	Rank
Roseburg Forest Products PO Box 1088 Roseburg, OR 97470 503-679-3311	261
Rosenthal Cos 1550 Wilson Boulevard, Suite 700 Arlington, VA 22209 703-522-2300	328
Rugby-Darby Group Cos 100 Banks Avenue Rockville Center, NY 11570 516-536-3636	360
S&P 100 Shoreline Highway, Bldg B, Suite 395 Mill Valley, CA 94941 415-332-0550	342
Sammons Enterprises 300 Crescent Court, Suite 700 Dallas, TX 75201 214-855-2800	101
Save Mart Supermarkets PO Box 4278 Modesto, CA 95352 209-577-1600	125
Schal Associates 200 West Hubbard Street Chicago, IL 60610 312-245-1000	208
Peter J Schmitt (1988) 355 Harlem Road West Seneca, NY 14224 716-825-1111	155
Schneider National PO Box 2545 Green Bay, WI 54306 414-497-2201	204
Schnuck Markets 11420 Lackland Road St Louis, MO 63146 314-994-4400	144
Schottenstein Stores 1800 Moler Road Columbus, OH 43207 614-221-9200	140
Schreiber Foods PO Box 19010 Green Bay, WI 54307 414-437-7601	149
Schwan's Sales Enterprise 115 West College Drive Marshall, MN 56258 507-532-3274	78
Science Applications International 10260 Campus Point Drive San Diego, CA 92121 619-546-6000	126
Scoular 2027 Dodge Street Omaha, NE 68102 402-342-3500	114
Sealy 1228 Euclid Avenue Cleveland, OH 44115 216-522-1310	281
Service America (1987) 88 Gatehouse Road Stamford, CT 06904 203-964-5000	158
Services Group of America 4025 Delridge Way SW, Suite 500 Seattle, WA 98106 206-251-9100	118
Shapell Industries 8383 Wilshire Boulevard, Suite 700 Beverly Hills, CA 90211 213-655-7330	361
Sierra Pacific Industries PO Box 496028 Redding, CA 96049 916-365-3721	390
Silgan (1989) Four Landmark Square, Suite 301 Stamford, CT 06901 203-975-7110	270
Melvin Simon & Associates PO Box 7033 Indianapolis, IN 46207 317-636-1600	295
JR Simplot PO Box 27 Boise, ID 83707 208-336-2110	79
Simpson Investment 1201 Third Avenue, Suite 4900 Seattle, WA 98101 206-224-5000	197
SnyderGeneral 3219 McKinney Ave Dallas, TX 75204 214-754-0500	180
Southwire PO Box 1000 Carrollton, GA 30119 404-832-4242	107
Steelcase PO Box 1967 Grand Rapids, MI 49501 616-247-2710	70
Stop & Shop Cos (1988) One Bradlees Circle Braintree, MA 02184 617-380-8000	19
Stroh Brewery 100 River Place Detroit, MI 48207 313-446-2000	135
Sullivan Graphics 100 Winners Circle Brentwood, TN 37027 615-377-0377	334
Supermarkets General (1987) 301 Blair Road Woodbridge, NJ 07095 908-499-3000	9
Sverdrup 13723 Riverport Drive Maryland Heights, MO 63043 314-436-7600	349
Sweet Life Foods 1120 Harvey Lane Suffield, CT 06078 203-623-1681	163
Sweetheart Holdings (1988) 7575 South Kostner Avenue Chicago, IL 60652 312-767-3300	216
Swinerton & Walberg 580 California Street San Francisco, CA 94104 415-421-2980	373
Tang Industries 1965 Pratt Boulevard Elk Grove Village, IL 60007 708-806-7600	225
Tauber Oil PO Box 4645 Houston, TX 77210 713-869-8700	132
Taubman 200 East Long Lake Road Bloomfield Hills, MI 48304 313-258-6800	122
Tennessee Restaurant One Pierce Place, Suite 100E Itasca, IL 60143 708-250-0471	255
Thrifty Oil 10000 Lakewood Boulevard Downey, CA 90240 213-923-9876	196
Tishman Realty & Construction 666 Fifth Avenue New York, NY 10103 212-399-3600	227

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

Company	Rank
Titan Industrial 555 Madison Avenue, 10th Floor New York, NY 10022 212-421-6700	341
TLC Beatrice International Holdings 9 West 57th Street, 48th Floor New York, NY 10019 212-756-8900	88
Topa Equities Ltd 1800 Avenue of the Stars, Suite 1400 Los Angeles, CA 90067 213-203-9199	335
Towers, Perrin 245 Park Avenue New York, NY 10167 212-309-3400	267
Tracor (1987) 6500 Tracor Lane Austin, TX 78725 512-926-2800	309
Trammell Crow 2001 Ross Avenue, Suite 3500 Dallas, TX 75201 214-979-5100	119
Trammell Crow Residential 2859 Paces Ferry Road, Suite 2100 Atlanta, GA 30339 404-433-2000	170
Trans World Airlines (1988) 100 South Bedford Road Mt Kisco, NY 10549 914-242-3000	23
Transammonia 350 Park Avenue New York, NY 10022 212-223-3200	85
Treasure Chest Advertising 511 West Citrus Edge Glendora, CA 91740 818-914-3981	352
Trump Organization 725 Fifth Avenue New York, NY 10022 212-832-2000	102
UIS 600 Fifth Avenue, 27th Floor New York, NY 10020 212-581-7660	296
Unifax 1065 Highway 315, Suite 203 Wilkes-Barre, PA 18702 717-822-0902	249
Union Holdings PO Box 978 Liberal, KS 67905 316-624-1851	111
Uniroyal Chemical (1989) World Headquarters Middlebury, CT 06749 203-573-2000	210
United PO Box 1280 Bristol, VA 24203 703-466-3322	301
United Parcel Service 51 Weaver Street, Greenwich Office Park #5 Greenwich, CT 06831 203-862-6000	4
United Van Lines One United Drive Fenton, MO 63026 314-326-3100	221
VT 8500 Shawnee Mission Pky, Suite 200 Merriam, KS 66202 913-432-6400	121
Walbridge, Aldinger 613 Abbott Street Detroit, MI 48226 313-963-8000	364
Walter Industries (1988) 1500 Northdale Marbry Highway Tampa, FL 33607 813-871-4811	103
Jim Walter (1988) 4010 Boy Scout Boulevard Tampa, FL 33607 813-873-4194	333
Warren Equities 10 East 53rd Street, 20th Floor New York, NY 10022 212-751-8100	293
George E Warren 605 17th Street Vero Beach, FL 32960 407-778-7100	81
Washington Steel 90 West Chestnut Street Washington, PA 15301 412-229-2803	381
Wawa Red Roof, Baltimore Pike Wawa, PA 19063 215-358-8000	347
Wegmans Food Markets PO Box 844 Rochester, NY 14692 716-328-2550	89
West Publishing 50 West Kellogg Boulevard St Paul, MN 55102 612-228-2500	348
Wheaton Industries 1101 Wheaton Avenue Millville, NJ 08332 609-825-1400	353
White Swan (1988) 400 Fuller-Wiser Road, Suite 300 Euless, TX 76039 817-267-8811	230
Whiting-Turner Contracting 300 East Joppa Road Towson, MD 21204 301-821-1100	382
Whitmire Distribution (1988) 81 Blue Ravine Road Folsom, CA 95630 916-985-5180	74
Wickes Cos (1989) 3340 Ocean Park Boulevard, Suite 2000 Santa Monica, CA 90405 213-452-0161	51
Wickes Lumber (1988) 706 Dearpath Drive Vernon Hills, IL 60061 708-367-6540	200
Wilbur-Ellis 320 California Street San Francisco, CA 94104 415-772-4000	201
Woodward & Lothrop/John Wanamaker 1025 F Street NW Washington, DC 20013 202-879-8222	194
WWF Paper Two Bala Plaza Bala Cynwyd, PA 19004 215-667-9210	239
Young & Rubicam 285 Madison Avenue New York, NY 10017 212-210-3000	157
Young's Market 500 South Central Avenue Los Angeles, CA 90013 213-629-5571	217
HB Zachry PO Box 21130 San Antonio, TX 78221 512-922-1213	245
Ziff Communications One Park Avenue New York, NY 10016 212-503-3500	383

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

On Nov. 14 (the pricing date for this page) stocks were close to record levels. The next day the Dow lost 120 points. Kidder, Peabody's chief market analyst, Dennis Jarrett, sees no reason to panic. "This market has survived a crash [in 1987], a recession, a major war and a coup attempt in the Soviet Union," says Jarrett. "My long-term outlook is quite bullish, with no one industry or sector dominant."

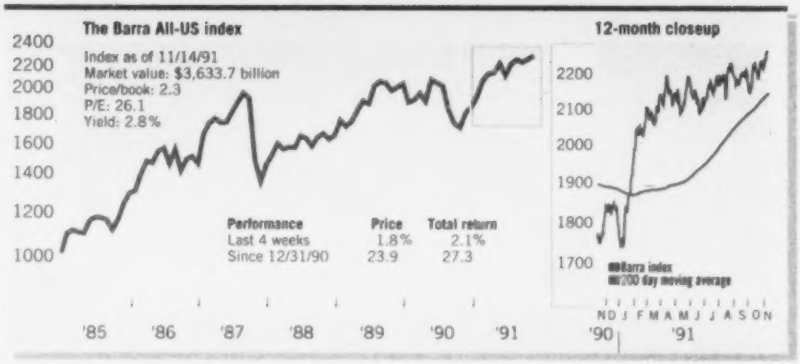
Is such bullishness justified? The market's P/E has increased sharply this year, while its dividend yield has sunk. But then, yields for all investments—bonds, money funds and bank instruments like CDs—have also declined sharply this year. Thus it is not surprising that investors have been willing to pay higher prices for a dollar's worth of earnings or dividend income. The future direction of stock prices may hinge on earnings forecasts for next year *(see p. 295)*.

On the rebound

How have last year's ten best and worst S&P 500 companies fared this year? On average, last year's ten laggards are now ahead of the game. Since 12/31/90 the laggards have posted an average return of 56% versus a 22% return for the leaders. S&P 500: a 22% total return.

1990 leaders	1991 return	1990 losers	1991 return
Home Depot	122%	USF&G	0%
Imcera Group	62	Quantum Chemical	11
Nike	39	Panhandle Eastern	21
St Jude Medical	38	NL Industries	28
General Mills	29	MCI Commun	34
Service Corp Intl	16	Marriott	59
Millipore	-5	Bank of Boston	79
Beverly Ent	-7	Chase Manhattan	92
Alberto Culver	-27	Oracle Systems	100
Compaq Computer	-50	Chemical Banking	139

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US Index	1.3%	28.9%	-0.1%
Sharpe/Barra Growth Index[1]	2.1	32.9	0.0
Sharpe/Barra Value Index[2]	0.8	25.4	-0.2
Dow Jones Industrials	-0.2	20.4	-0.4
S&P 500	1.2	25.3	-0.1
NYSE	1.2	26.6	-0.1
Nasdaq	2.2	56.5	-0.2
Amex	1.1	32.0	-1.3
EAFE[3]	0.0	7.5	-17.5
CRB Index[4,5]	-1.3	-4.3	-20.9
Gold[5]	-0.8	-6.0	-29.4
Yen[5]	-1.0	0.4	-21.0
Oil[5]	-3.6	-27.7	-45.3

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Viratek	14	70%	NA	Immune Response	41	-31%	$-0.30
K-V Pharmaceutical	34	44	NA	Barr Labs	25	-25	0.92*
Ribi ImmunoChemical Res	10	43	$-0.35	Coast Savings Financial	6	-25	2.15
ICN Pharmaceuticals	15 7/8	41	0.55	Tektronix	18 1/8	-23	2.06
Omnicare	19 1/2	41	0.50	Response Technologies	6 3/8	-23	NA

The best and worst performing industry factors[6,8]

Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Photographic, optical	11.5%	14.0%	Water transport	-9.1%	15.9%
Consumer durables	5.5	20.0	Oil service	-8.2	-2.6
Retail	5.4	32.8	Forest products	-7.1	19.2
Life insurance	5.0	29.5	Precious metals	-4.7	-18.5
Agriculture, food	4.6	26.5	Coal & uranium	-4.7	5.0

Note: Data for period ending 11/14/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. *1992 estimate. Principal source: Barra, Inc., Berkeley, Calif.

NEW ISSUES REVIEW

BY WARREN MIDGETT

The biggest new issues[1]

Company/business	Exchange	Offer date	Offer price	Recent price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
EXEL Ltd/insurance	n	7/18/91	25½	32	487	Goldman, Sachs	25%	125
Ambac/insurance	n	7/11/91	20	27⅜	292	Salomon Brothers	37	133
MGIC Investment/mortgage insurance	n	8/6/91	24	36¼	202	Goldman, Sachs	51	152
Interstate Bakeries/bakery prods	o	7/24/91	16	18½	200	First Boston	16	113
Singer NV/mfr sewing machines	n	8/1/91	14	17¼	164	Merrill Lynch	23	123
Enquirer/Star Group/publishing	n	7/19/91	14	16⅞	151	First Boston	21	119
Rogers Cantel Mobile Commun/cellular telecom	o	8/8/91	17	17½	128	Goldman, Sachs	3	103
FoxMeyer/pharmaceutical distributor	n	8/29/91	14½	15	109	PaineWebber	3	106
Smart & Final/food warehouse stores	n	7/30/91	19	18⅞	95	Lazard Freres	-1	99
Kaiser Aluminum/mfr aluminum prods	n	7/11/91	12	12⅜	81	Merrill Lynch	-12	86

Performance update

Even if the Nov. 15 market crashlet puts a chill on business, 1991 looks like a boom year for initial public offerings. During the third quarter alone, $3.8 billion was raised on 81 issues. That's almost four times the amount raised for the same period last year, and it puts the figure for the first nine months of 1991 at $8.9 billion. "If things continue at the current pace, the capital generated in the fourth quarter should easily surpass $5.8 billion," says Seth Weber, an associate at Securities Data Co. in Newark, N.J. The last record year was 1986, when $15.1 billion was raised.

Companies currently filing for registration include plastics and packaging manufacturer giant Owens-Illinois; Healthtrust, a health care services company; and supermarket chain Stop & Shop Cos.

A lot of new offerings are very expensive. Alteon, Inc., a pharmaceuticals manufacturer, went public Nov. 1 at 150 times pro forma earnings and 92.5 times book value. Presley Cos. came public Oct. 10 at 52.6 times pro forma earnings.

The roaring new issues business is good news for underwriters. But it is also a warning to investors that the stock market is getting overheated. That was probably what Nov. 15's market action was telling us.

The best new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Somatogen/biotech	39¾	38	Alex Brown & Sons	109%	209
Biomatrix/biotech	18¼	28	Prudential Secs	83	184
Video Lottery Tech/video equip	25¼	40	Montgomery Secs	80	176
Systemix/pharmaceuticals	32	36	Merrill Lynch	78	179
Wellfleet Commun/computer networks	29⅞	48	Goldman, Sachs	76	175

The worst new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Treadco/truck tire retreader	15	40	Morgan Stanley	-6%	94
Laser-Pacific Media/movie production	4	7	HJ Meyers	-33	67
Super Rite/supermarkets	15½	33	DLJ	0	99
Teknekron Commun/telecomm software	8	23	PaineWebber	-20	79
Monro Muffler Brake/auto repair	13½	26	Lehman Brothers	-16	83

The most active investment bankers[1]

Underwriter	Total offerings	Total raised ($mil)
Goldman, Sachs	17	$2,384
Merrill Lynch	12	1,374
First Boston	11	794
Salomon Brothers	7	517
PaineWebber	16	509

Industries going public[1]

Industry	Total offerings	Total raised ($mil)
Manufacturing	26	$1,333
Insurance	5	1,030
Professional svcs	15	423
Wholesale	9	310
Health care	9	184

Note: Initial public offerings of common equities with offer date of 6/30/91 to 9/30/91, offering price of $2.50 or more and offering value of $5 million or more. Closed-end funds, limited partnerships, and ADRs (American Depositary Receipts) of corporations already traded in foreign countries are excluded, as are REITs and spinoffs. [1]Last quarter. [2]The ending value of $100 invested in the stock, divided by the ending value of $1 invested in the market. [3]Latest 12 months. Source: Securities Data Co.

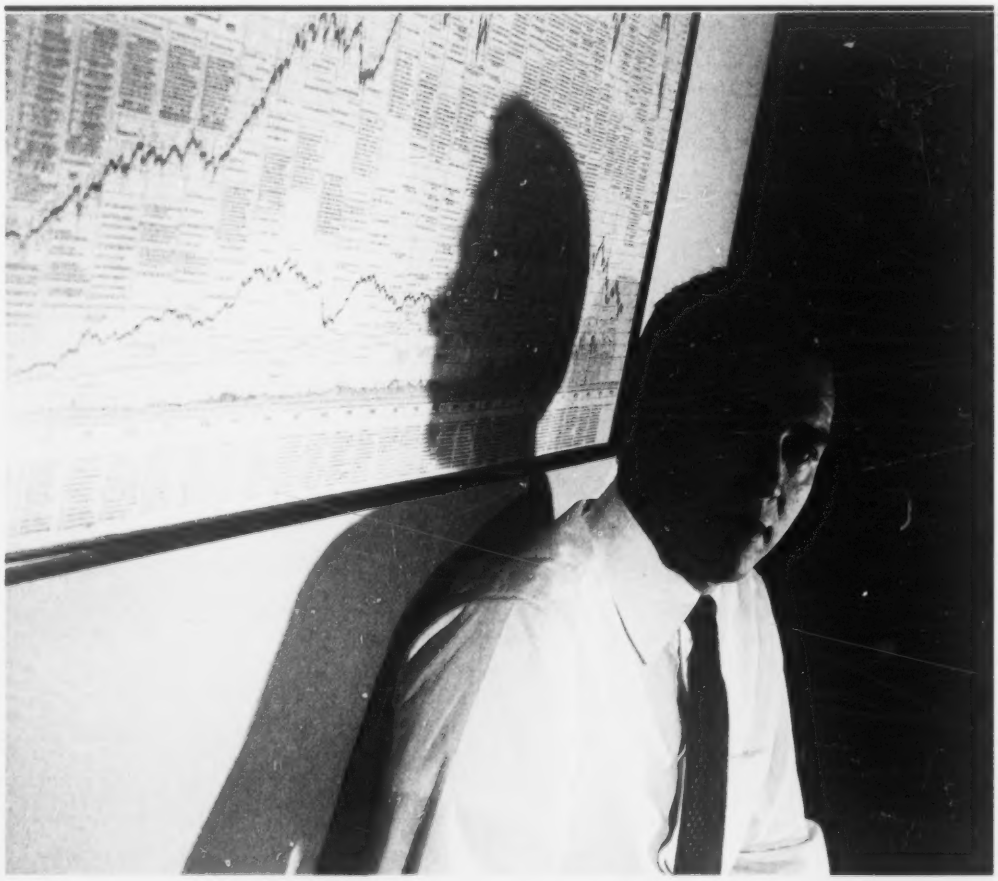
Having moved his Mathers Fund heavily into cash, Henry Van der Eb has missed out on this year's bull market. Is he sorry? No. He sees trouble ahead and would rather be out too soon than too late.

Voice of caution

HENRY VAN DER EB took on a 30-year home mortgage when he was 34 years old, and scraped to pay it off in less than 6 years. "Debt makes me uncomfortable," says the manager of the $495 million Mathers Fund. Today the onerous debt of the government, corporations and consumers is making Van der Eb, 46, very uncomfortable. "The 1980s were the decade of debt. The 1990s will most likely be characterized by its painful unwinding," he wrote last year to Mathers Fund shareholders. What about the 120-point drop in the Dow on Nov. 15? "Buying the dip, as people did in 1987, 1989 and 1990, may not be a good strategy," Van der Eb warns.

In the spring of 1989 Van der Eb began building a cash hoard that today equals 88% of the Mathers Fund and a like portion of the separate accounts Van der Eb manages. As a result, he has missed the recent stock market rally. But if the market crashes within the next few years, being too early will be a price worth paying. Van der Eb moved into cash in advance of the October 1987 crash; the 62% cash position he had on the fateful Oct. 19 was largely built up that summer. Mathers Fund, based in Bannockburn, Ill., gained 27% in 1987, while the market was up only 5%.

Last year, when the S&P 500 lost 3% (after reinvestment of dividends), the Mathers Fund was up 10%, thanks to its cash booty. Since Van der Eb began managing Mathers Fund in 1975, his 20% average annual return has outpaced that of the S&P 500 by four percentage points.



Brad Trent

Henry Van der Eb of Mathers Fund **What happened to his fund in the Nov. 15 crash? It went up.**

So why is Van der Eb sitting on the sidelines now? He believes the current recession may last another two years because, for one, consumers won't resume buying soon. They're overleveraged. Historically, the national savings rate has been between 6% and 9% at the end of a recession. Today it is 3.5%. Consumers are squeezed by a drop in their interest income and home prices on one side and rising taxes on the other. Corporations like Allied-Signal, Compaq, AT&T and Citicorp are laying off thousands of workers, and people are frightened for their jobs. "This is not what we should see in a recovery," Van der Eb says dourly.

The government's fiscal and monetary options for jump-starting the economy are constrained by the budget deficit, and the result could be dire. Predicts Van der Eb, "Government revenues will fall short, and Treasury will need to borrow even more to bail out the government, the S&Ls, banks and insurance companies. The perception of the credit quality of the U.S. government will fracture, and the dollar will collapse."

So why is the stock market climbing? "The stock market is the paradox," Van der Eb continues. While the earnings of the companies in the Dow Jones industrial average have dropped from $192 to $101 in the past year, their stock prices have risen 15%. The result is that the Dow is now trading at a stratospheric 29 times 12-month trailing earnings. Here is the market, in typical fashion, trying to anticipate—reacting not to current earnings but to forecasts of the future. But could the anticipators be taking their logic a little too far? "The stock market has already discounted two years of a decent recovery," says Van der Eb.

In its high valuations of a small group of popular stocks, today's stock market reminds Van der Eb of the early 1970s, when the so-called Nifty Fifty (incuding Avon, Polaroid and Xerox) traded at huge multiples of their earnings for years, then collapsed. "People think that a good company is a good investment at any price. But it's not true," he says. "It is the Nifty Fifty all over again, but the players are wearing different jerseys. This time they are Home Depot, U.S. Surgical and Amgen." Price/earnings multiples for these three: 56, 71 and 743, respectively.

Of course, some investors make money in this sort of market. For instance, the aggressive growth Alger Small Capitalization Fund *(see story, p. 59)* is up 64% for the 12 months through October. Mathers Fund is up just 12%, according to Lipper Analytical Services. But this hasn't made Van der Eb restless. "I can't buy a stock just because it's going up," he says. "It must be good value."

With the S&P 500 trading at 2½ times its book value, the only real value Van der Eb finds these days is in gold stocks. He owns shares in four gold mining companies: Battle Mountain Gold, Homestake Mining, LAC Minerals and Placer Dome. "The risk of losing money in these stocks isn't very high, while the possibility of making money is reasonable," says Van der Eb. The only other equity holdings in Mathers Fund are International Technology (hazardous waste disposal) and Panhandle Eastern (gas transmission), which Van der Eb thinks is just about fully valued at its recent 14⅜ per share.

Preparing for the worst

Fund	Net assets	Portion in cash
Vanguard Windsor	$7,800	21%
Janus Venture*	1,206	30
Phoenix Growth	1,186	27
Sequoia Fund*	1,115	36
Templeton Smaller Co Growth	892	22
United Vanguard	875	24
Shearson Lehman Bros Growth	740	23
Zweig Total Return	618	22
Finl Strategic Health Sciences	595	22
Capital Income Builder	534	20
Brandywine Fund	528	35
Mathers Fund	478	88
IDS Strategy—Aggressive Equity	404	20
AIM Equity-Charter	378	24
IAI Regional	374	28
Zweig Series Trust Strategy	357	22
AMEV Growth	336	24
Franklin Growth	331	26

Assets as of Sept. 30. *Closed to new investors.
Source: Morningstar, Inc.

The largest mutual funds whose cash positions are 20% or more of net assets.

Even with most of the Mathers Fund's assets in cash, Van der Eb isn't finding any extra time for himself. He reads the *Value Line Investment Survey,* a 2,000-page quarterly, cover to cover; among the 1,700 stocks are always 60 he is ready to buy when they get cheap enough. Van der Eb often wakes in the middle of the night and listens to foreign stock market news on the portable radio that hangs on his bedpost. His wife has grown accustomed to it.

In November of 1989 Van der Eb expected a drop in the Japanese stock market and paid $250,000 for Nikkei puts for the employee investment fund of Mathers & Co. "We made $1.9 million," boasts Van der Eb, who became the majority owner of the firm when Thomas Mathers left last year. Currently the Mathers Fund is short $60 million of Standard & Poor's 500 stock index futures; it has, meanwhile, just $60 million invested in stocks. Net effective long position: 0% invested.

"I get the feeling money managers are buying into the expensive drug and food stocks today and just holding their noses," laments Van der Eb.

Something doesn't smell right. Mathers Fund investors agree. They are putting $1 million a day into the fund. "We may look bad this year," says Van der Eb, "but that's the time to buy us."

If you don't want to pay Van der Eb 0.98% a year in fees and expenses to run what is in effect a money market fund, you can create a cheap imitation of the Mathers Fund: Put a little of your money in a gold fund such as Freedom Investment Gold & Government and the rest in Treasury bills. Be prepared to switch quickly into Mathers as soon as the fund reports a sharp decline in its cash balance. However, there is a risk that you will miss some of the rebound if it comes quickly.

The table lists funds with large cash positions. One of the best of these in long-term performance, the Sequoia Fund, has held a large cash position and has kept its doors closed to new investors since 1982. It's a good bet that if Sequoia ever reopens, it will be when pessimism is rampant and the market is abounding in cheap stocks. –S.L.O.

A sure way to lose money is to believe earnings forecasts, but there's a way to turn the analysts' notorious inaccuracy to your advantage.

Flawed forecasts

BY DAVID DREMAN

David Dreman is chairman of Dreman Value Management, L.P., Investment Counsel, New York, and author of *The New Contrarian Investment Strategy.*

"SELL APPLE, Merrill lowered its estimate." Or, "Buy casualty stocks, Goldman has hiked its forecasts."

Thus even small estimate cuts by brokerage research departments can drop a stock sharply or, if earnings are hiked, send it skyward. Investors, from megabuck managers to average Joes, often act quickly on such news, which is flashed immediately by the wire services. Near-term earnings estimates are the major trigger on investment decisions today.

This is particularly ironic, since the forecasts are notoriously inaccurate. Buying or selling stocks on the basis of these estimates is an almost guaranteed way to lose money.

Look at the table. In collaboration with Professor Michael Berry of James Madison University, I examined analysts' estimates from 1973 to 1990 on a quarterly basis. Estimates of earnings for the quarter were always made in the prior three months, the last revisions only two weeks before the end of the quarter. To avoid outriders, we used only companies that had a minimum of six estimates by analysts from different brokerage firms. The number of individual estimates went as high as 30, 40 or more for some of the largest or most widely followed stocks. On average there were about 800 NYSE or Amex companies in the sample in each quarter.

The results of this study, which to my knowledge is the most comprehensive to date, are startling: Analysts' estimates have been sharply and consistently off the mark, even though they were made less than three months before earnings were actually reported. The average error over the term of the study was 40% annually. And this was no small sample: It included almost 60,000 estimates by groups of analysts.

In spite of the information revolution, estimates have gotten far worse, not better. In the past six years the average error was an astounding 52%, and in the past two years, 57% and 65%, respectively. Since an estimate change of 10% or less can result in major stock price movements, what did a miss of 57% in 1989 or 65% in 1990 do? The answer is, created havoc in numerous industry groups. Worse yet, since most analysts forecast earnings at least a year or further ahead, it's more than likely that these latter misses were far wider.

The bottom line, as I have noted frequently in this column, is that it is dangerous, if not suicidal, to attempt to live by fine-tuned earnings forecasts in a competitive, dynamic and constantly changing environment. The collapse of the bank and financial stocks last year, or of many technology and hospital management companies in 1991, are the latest confirmation of what happens when investors depend on estimates that prove to be wildly inaccurate.

There is a big edge here for the astute investor. Let me explain. Although forecasts have proved enormously inaccurate for stocks in vogue, they have been just as wrong for those out of favor. Estimates of popular stocks often prove too high, and, just as frequently, too low for companies in the doghouse.

What this means is simply this: Earnings expectations get capitalized in a stock's price. Where expectations are favorable, the stock probably commands a high price/earnings ratio; where expectations are low, the converse. Since the favorable and unfavorable predictions are both probably wrong, the low P/E stocks are quite possibly underpriced—and vice versa.

Hence my low-P/E strategy.

So, chuck those earnings predictions and concentrate on companies that are out of favor, but are not dogs or cats. Stocks with good earnings and dividend records and strong finances that, for one reason or another, have been blasted by The Street. If the estimates prove inaccurate—an almost sure bet from the record we reviewed—many of the better companies will bounce back sharply.

In spite of Nov. 15's minicrash, some stocks that still fit this category:

H.F. Ahmanson (15) has a P/E of 10 and yields 5.7%. *Club Med, Inc.* (25) trades at a P/E of 11, yielding 1.2%. *Community Psychiatric* (13) is priced at a P/E of 8 and yields 2.8%. *Giant Food 'A'* (23) has a P/E of 12 and yields 2.9%. *Great Western Financial* (15) trades at a P/E of 8, yielding 5.6%.

Forecast error as a percent of reported earnings

Year		Year	
1990	65%	1981	40%
1989	57	1980	35
1988	42	1979	27
1987	45	1978	25
1986	52	1977	27
1985	52	1976	29
1984	43	1975	41
1983	45	1974	32
1982	48	1973	31

Source: Dreman Value Management, L.P.

There were 1,221 NYSE and Amex companies. We included positive and negative earnings surprises. There were estimates from six or more analysts for each company in every quarter between 1973 and 1990.

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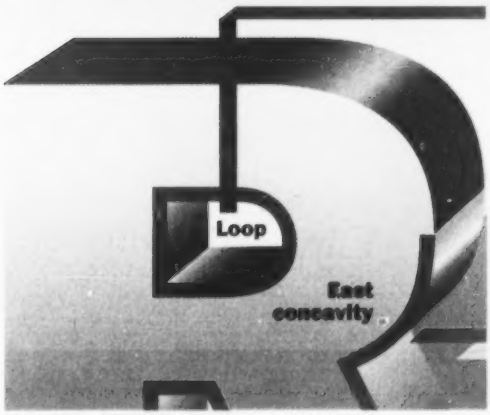

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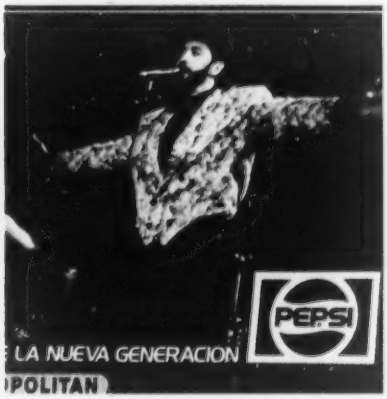

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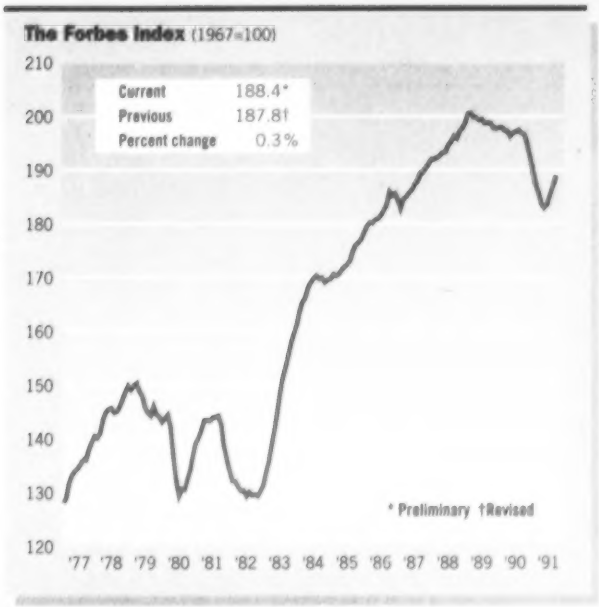
THE FORBES INDEX

BY TIMOTHY DODMAN



With mounting layoffs and another rise in initial unemployment claims, wages and salaries fell 0.2% in October. Transfer payments (i.e., Social Security and unemployment insurance) made up over 16% of total personal income in October, a level unmatched in recent history. But there were a few positive economic signs. For the first time in 20 months, housing starts came in higher than for the same month last year. New orders for durable goods increased 3% from September to October, but they're still 5.4% below October 1990.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	7.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-11.9%
Index of leading indicators Sept vs Aug	Dept of Commerce	-0.1%
Trade balance 12 months ended Sept 1991	Dept of Commerce	-$75 bil
All-commodity producer price index Oct vs Sept[2]	Dept of Labor	0.3%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	2.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	0.2%

[1] U.S.-based manufacturers, excludes imports, as of 11/20/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

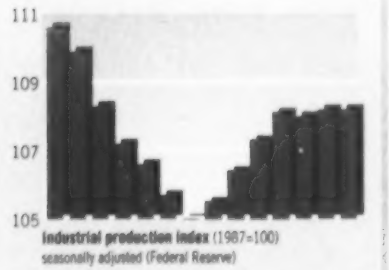
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

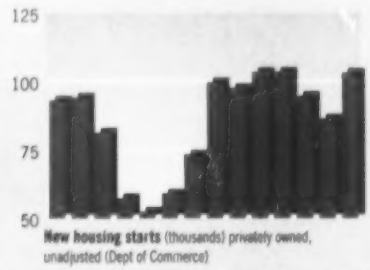
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

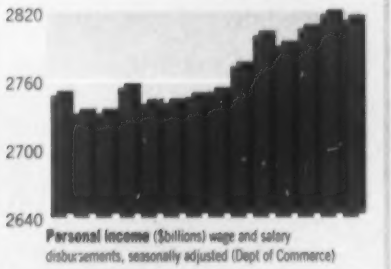
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



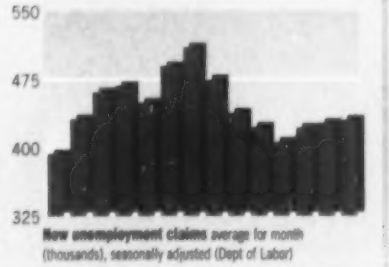
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

S O N D J F M A M J J A S O S O N D J F M A M J J A S O S O N D J F M A M J J A S O

Despite the width and depth of the housing slump, Oakwood Homes and Clayton Homes are doing well.

Standing out

By Edward Giltenan

MOBILE HOMES have come a long way from the familiar rickety boxes that were rolled out of factories, perched precariously on cinder blocks and decorated with pink flamingos. Nowadays, it's getting much harder to tell the difference between sturdy "manufactured houses" and on-the-site construction.

But the recession has spared neither. Some 170,000 mobile homes will be sold this year, down from 295,000 just eight years ago. There are now 90 mobile-home builders. A decade ago there were about 250.

Despite this, Oakwood Homes Corp. of Greensboro, N.C. and Clayton Homes, Inc. of Knoxville, Tenn. are doing well this year. Since a rash of repossessions forced it to close its Texas operations in 1987, ending 11 consecutive years of improving earnings, Oakwood has made an impressive comeback. From just $400,000 in 1987, Oakwood's earnings have climbed to nearly $9 million—$1.06 a share on a fully diluted basis—in the year ended Sept. 30. At a recent 14¼, Oakwood's NYSE-listed shares have doubled in the last year.

By contrast, Clayton Homes is a paragon of consistency. Run for the last 25 years by Chairman James Clayton, the company has reported rising earnings for the last 11 years, earning $29 million on sales of $320 million in the year ended in June. Clayton's unit sales are up 12% in the first three quarters of this year. In the last year, Clayton's NYSE shares have nearly doubled, to a recent $17.

As practiced by Oakwood and Clayton, manufactured housing has a lot going for it. Although top-of-the-line models are of high quality, manufactured homes sell chiefly on price. Thus they tend to compete with rental apartments as housing.

With rents now creeping up, mobile-home payments have become competitive with renting. Mobile homes are still the cheapest type of single-family home ownership: excluding land cost, $20,000 will buy a decent 1,000-square-foot, two-bedroom mobile home; $35,000 will buy a 1,500-square-foot, three-bedroom model. Similar site-built houses could easily cost up to twice as much. A major reason is that mobile-home makers have used nonunion, relatively unskilled labor. And they are generally free from the vagaries of weather.

It's also easier to finance a mobile home than it used to be. Until fairly recently, the buyer had to purchase the mobile home and then buy or lease land to put it on—two separate transactions. This financing is done through chattel mortgages, which treat the mobile home not as real estate but as a piece of personal property, much like a car. Terms on these chattel mortgages range from 7 to 15 years, with rates of 12½% and more. For many potential buyers, these onerous terms washed out the advantages of low sticker prices.

But they have an alternative. The Federal National Mortgage Association purchases and securitizes increasingly popular 30-year residential mortgages on mobile homes as long as the house and land are permanently attached and sold in one transaction. This way, the payment on a $65,000

Standard mobile home on rental lot

Wave of the past?

New factory-built house; starting price $55,000, including land **Bigger, less mobile and easier to finance, they're becoming an alternative to renting.**

package of mobile home and land works out to around $500 a month—an attractive alternative to renting.

Meanwhile, in order to overcome the prejudice many communities have against trailer parks, the mobile home builders have been building more so-called multisectional homes, called double-wides in the trade. These are essentially houses split down the middle for easy highway transportation and are bigger, more expensive and less mobile than the traditional single-section variety. The builders then package these multisectionals with title to the ground they will sit on and build a permanent foundation.

Fannie Mae's willingness to purchase mobile home mortgages opened the way for big mortgage lenders like Sears Mortgage, GMAC and Weyerhaeuser Mortgage to make conventional mortgage loans on manufactured homes. "Many lenders have a very healthy appetite for the multisectional home because so many of their applicants can't qualify for site-built, starter homes," says Clayton Homes' James Clayton. Currently, half the industry's unit shipments are multisectional homes, up from about 30% five years ago.

Quite clearly, mobile-home building and conventional building are becoming more and more alike—mass builders of conventional homes use many of the same assembly-line techniques mobile-home builders use. A successful mobile-home builder today must offer fully integrated service, from building and selling the homes to arranging financing for customers and servicing the loans. The financing is especially important. Because they are highly integrated, Oakwood and Clayton are bucking the downtrend in home building.

Oakwood Chief Executive Nicholas St. George says he is aggressively expanding in multisectional homes. But Oakwood's greatest strength is its financing arm, which St. George got off the ground six years ago. With it, Oakwood can now originate loans for its customers, package the loans and sell them to banks, insurance companies or, in the case of loans qualifying for conventional home mortgages, to Fannie Mae. This keeps Oakwood's factories humming and makes money for the company. Oakwood's finance subsidiary now accounts for 45% of the company's operating earnings. Thus far this year, Oakwood's unit sales are up 11%, against the industry's 10% decline.

Loan defaults? Over the last five years Clayton's and Oakwood's net losses have averaged less than 1% on total loans outstanding—although, as the recent rash of bank credit card defaults should remind everyone, loans on anything can sour very quickly.

Another big player is Fleetwood Enterprises, based in Riverside, Calif. The big maker of recreational vehicles sold $567 million worth of mobile homes last year, 40% of its revenues, ranking it first in the business. But Fleetwood has no retail network and no in-house financing capability, and it won't anytime soon.

Manufactured housing has a lot going for it in today's relatively austere economy, but only the strongest players will prosper.

A couple of standouts

Company	Recent price	52-week high	52-week low	Price/ earnings	Latest 12 months sales ($million)	Latest 12 months earnings ($million)	Latest 12 months EPS	Dividend yield	Net margin	Debt/ equity
Cavalier Homes	2¾	4¼	2⅜	34.4	$66	$0.20	$0.08	2.9%	0.3%	0.07
Champion Enterprises	3¼	5⅞	2⅝	NM	274	–0.20	–0.03	0.0	NM	0.22
Clayton Homes	17	23¼	10⁹⁄₁₆	13.2	334	31.1	1.29	0.0	9.3	1.13
Fleetwood Enterprises	32⅞	36¾	16¼	23.2	1,410	31.6	1.42	2.7	2.2	0.00
Liberty Homes*	5⅛	5¾	4	NM	53	–1.6	–0.34	4.7	NM	0.00
Oakwood Homes	14¼	16½	7¼	12.3	126	7.7	1.16	0.6	6.1	3.28
Schult Homes	5⅛	7⅛	3	5.2	161	3.6	0.98	0.0	2.2	0.39
Skyline Corp	14½	18¼	13½	35.4	313	4.5	0.41	3.3	1.4	0.00

*Class A shares. NM: Not meaningful. *Source: Media General via Lotus One Source.*

In the last year, margins among the mobile-home builders have been poor to awful, except for Clayton and Oakwood. Note, however, that both are also highly leveraged and run the risk of defaults on the mortgages they write for their customers.

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

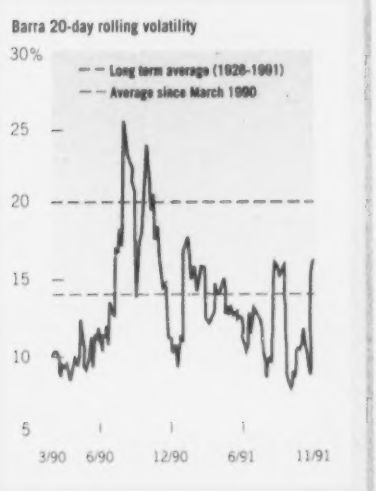
It is hard to find anyone who is more pessimistic about the stock market than Walter E. Stone, editor of *Long-Term Technical Trends*, a monthly newsletter. "We are in a bear market rally, not a bull rally," says Stone. "The Dow is down 100 points from where it was in April, and almost every Wall Street strategist is fully invested and advising us to buy based on weakness of the market." Stone thinks the consensus is dead wrong. He says the country is in the midst of the biggest credit-bubble collapse in history.

How bad could it get? Pretty bad, says Stone. He thinks the Dow could fall to 1200 by mid-1994. He recommends that investors put 95% of their money into Treasury bills or money market funds that are limited to U.S. government securities, and put the remaining 5% into gold-related assets.

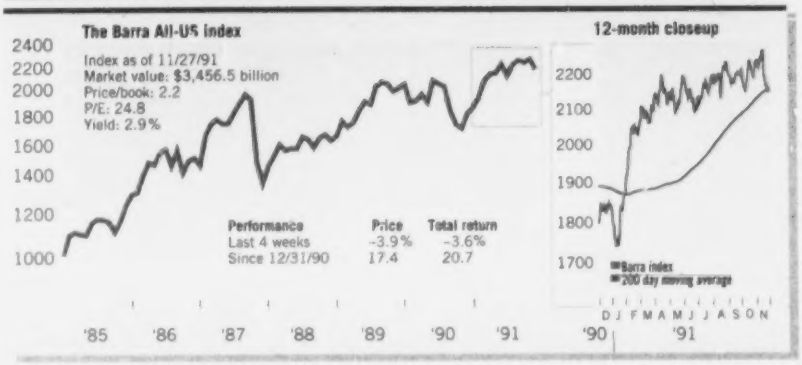
During the last two weeks the sky didn't fall. But the Barra All-US index of 5,000 stocks fell 5.4%.

Special focus

Despite what you might think after seeing the huge up-and-down moves in the market, Wall Street is calmer than ever. Stock market volatility over the past year and a half has run about 14%, well below the 20% long-term average. Barra calculates volatility by taking the standard deviation of market moves over 20 trading days.



The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-5.4%	21.6%	-5.4%
Sharpe/Barra Growth index[1]	-4.3	27.1	-4.4
Sharpe/Barra Value index[2]	-6.0	17.1	-6.0
Dow Jones industrials	-5.4	14.4	-5.8
S&P 500	-5.2	18.4	-5.2
NYSE	-5.1	19.7	-5.1
Nasdaq	-6.0	47.2	-6.0
Amex	-5.6	23.8	-5.7
EAFE[3]	-4.1	4.6	-20.7
CRB index[4,5]	0.5	-4.6	-20.9
Gold[5]	3.2	-4.7	-26.8
Yen[5]	0.1	-0.5	-20.8
Oil[5]	-4.5	-31.4	-48.1

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Sanford	36 1/8	44%	$1.58	Biomatrix	13 1/4	-46%	NA
Bridgford Foods	27 1/4	28	0.72	Xytronyx	15 1/4	-46	NA
US Bioscience	60	28	-0.40	Alkermes	11 1/2	-41	$-1.07
Pinnacle West Capital	15 7/8	20	1.16	American Dental Laser	9 1/4	-39	0.60
Granite Construction	23 3/4	17	1.77	RasterOps	10 3/4	-39	1.32*

The best and worst performing industry factors[6,8]

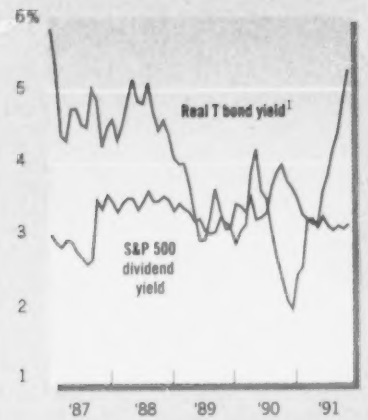
Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Precious metals	6.9%	-12.9%	Oilfield services	-11.5%	-11.7%
Beverages	3.3	14.0	Railroads	-10.9	43.3
Electric utilities	0.6	27.6	Trucking	-10.2	17.3
Air transport	-1.	8.9	Containers	-10.1	21.6
Tire & rubber	-1.4	54.7	Construction	-9.2	-3.6

Note: Data for period ending 11/27/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. *1992 estimate. Principal source: Barra, Inc., Berkeley, Calif.

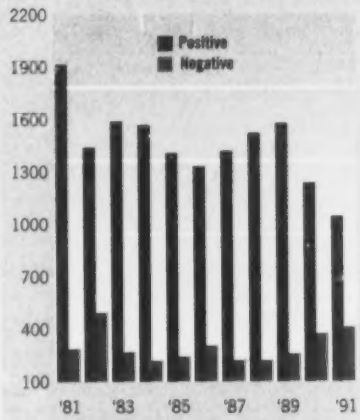
DIVIDENDS REVIEW

BY EVELYN FEIT

Corporate vs. government yields



Corporate dividend revisions



Standard & Poor's reports that in the first ten months of 1991, 368 companies eliminated or reduced dividends, while 879 increased them. For the year, payouts will probably come in just 2% higher than in 1990, not even keeping up with inflation. Over the last 25 years, stock payouts on average have kept up with inflation.

Some companies' dividends are rising much faster than the cost of living. Wal-Mart Stores, for instance, raised its dividend in March and is likely to raise it annually by 20% over the next several years, says Daniel Barry, a retailing analyst at Kidder, Peabody. Wal-Mart, though, has a low yield: 0.3% versus 3.2% for the S&P 500.

All the members of the "Solid dividends" table *(lower left)* have raised their dividends in each of the past ten years, have aftertax cash flow of more than 15% of debt and payout ratios under 50% of aftertax cash flow. By contrast, the ten companies with shaky dividends are all paying out cash faster than it is coming in.

The top left chart compares bond yields, net of the inflation premium built into them, with stock yields. (Dividends, after all, are supposed to keep up with inflation, while bond coupons don't.) Here's hoping 1991 turns out to be an aberration.

Representative industry yields

Industry	Yield	Payout ratio [2]	P/E	Industry	Yield	Payout ratio [2]	P/E
Automotive	5.5%	NM	NM	Electrical equip	3.3%	45%	14
Banking	3.7	41%	20	Household prods	2.5	54	17
Basic chemicals	4.4	54	14	Petroleum	5.0	96	13
Pharmaceuticals	2.3	44	24	Retail	1.9	40	21
Electric utilities	6.4	92	15	Telecommunications	4.8	77	20

Solid dividends

Company	Price	Indicated rate	Yield	Paycut ratio	Dividend growth [3]
Abbott Laboratories	58¼	$1.00	1.7%	41%	19%
Albertson's	34	0.56	1.6	30	20
American Brands	39¼	1.75	4.5	61	8
Coca-Cola	70½	0.96	1.4	41	10
General Mills	66	1.48	2.2	50	18
Johnson & Johnson	94	1.60	1.7	38	17
Eli Lilly	74⅛	2.00	2.7	46	15
Merck	143¼	2.52	1.8	48	32
Procter & Gamble	81⅜	2.00	2.5	41	8
Wal-Mart Stores	48⅝	0.17	0.3	13	31

Doubtful dividends

Company	Price	Indicated rate	Yield	Trailing EPS
Affiliated Publications	8⅛	$0.24	3.0%	$0.11
Bethlehem Steel	11⅞	0.40	3.4	-8.85
Boise Cascade	22¼	1.52	6.8	-1.91
Chrysler	11¾	0.60	5.1	-2.69
Cincinnati Milacron	7½	0.36	4.8	-1.56
Core Industries	6⅛	0.48	7.8	0.17
Federal-Mogul	14¾	0.92	6.2	-0.26
Hartmarx	7⅜	0.60	8.1	-1.29
Pennzoil	58¾	3.00	5.1	2.42
Stone Container	19¾	0.72	3.6	-0.04

Note: All data, except where footnoted, as of 11/26/91. [1]Yield on 30-year Treasurys adjusted for inflation using the trailing 12 months' increase in the Consumer Price Index. [2]Capitalization-weighted. Dividends divided by net income; all extraordinary items are excluded. [3]Five-year growth rate. NM: Not meaningful. Sources: Media General, Value Line, via Lotus One Source; Standard & Poor's.

ANNUAL REPORT ON AMERICAN INDUSTRY

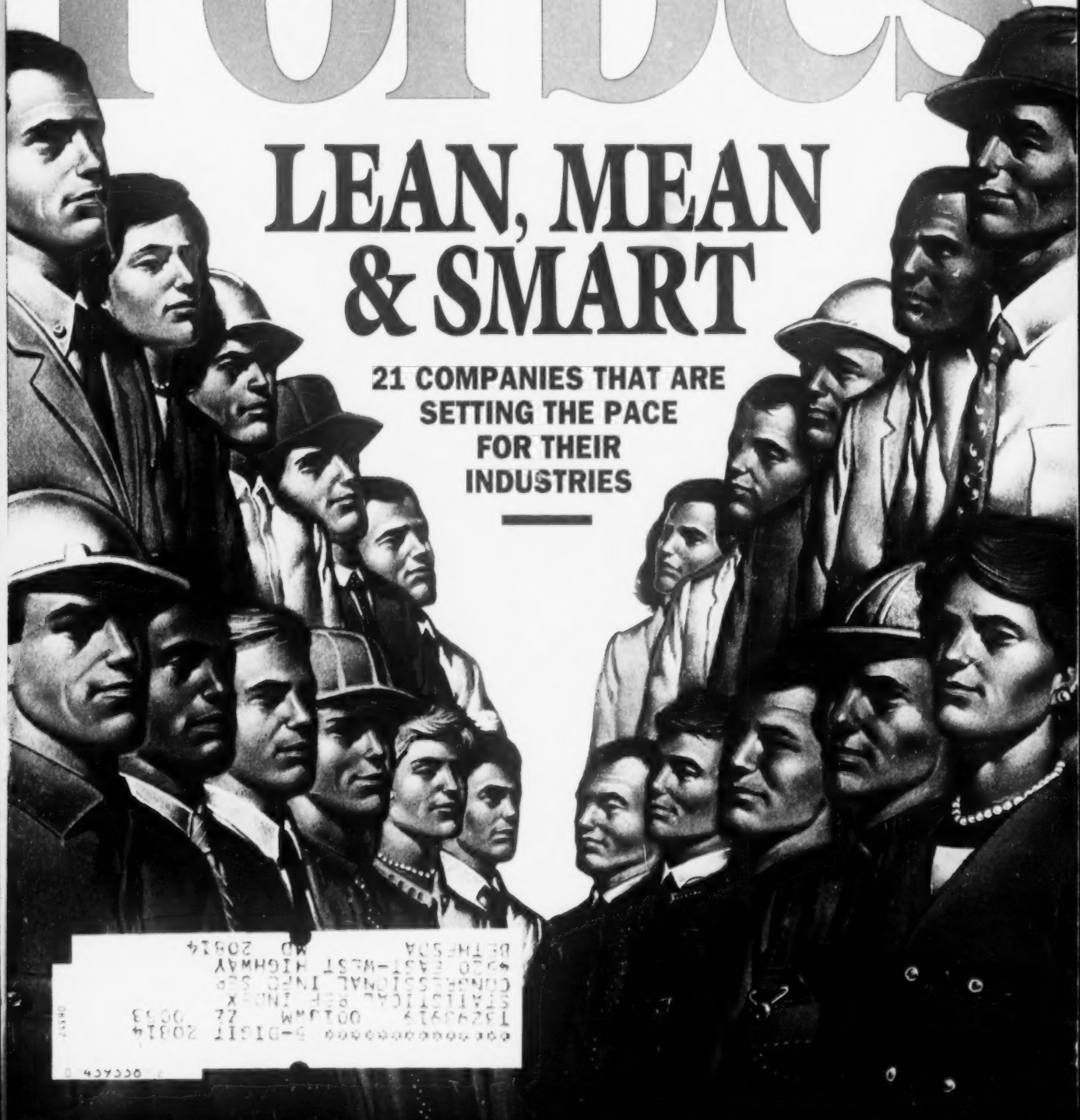
PERFORMANCE YARDSTICKS ON 1,209 COMPANIES

January 6, 1992 Four Dollars

Forbes

LEAN, MEAN & SMART

21 COMPANIES THAT ARE SETTING THE PACE FOR THEIR INDUSTRIES



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The leanest, meanest, smartest companies in 21 industries.
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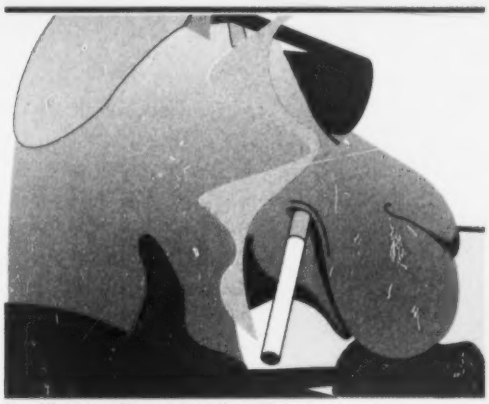

It will get uglier and uglier. The guy with the deep pockets will win.
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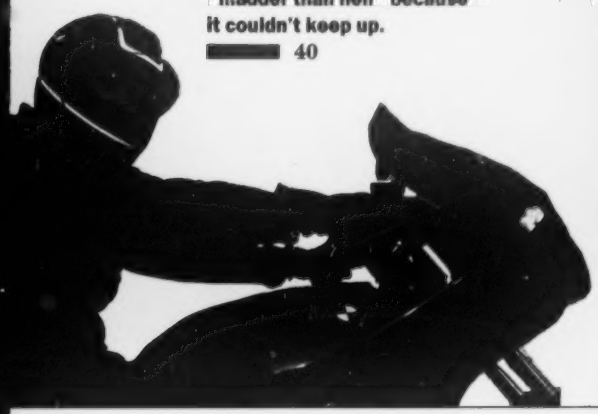

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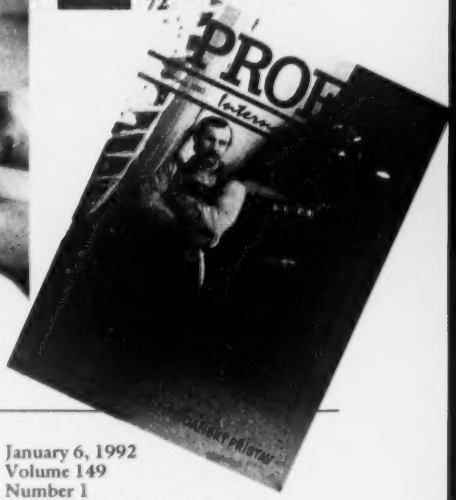

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Cover illustration by Cary Henrie

Job trends across the millennia

ECONOMIC GROWTH IN THE U.S. in the next 10 to 15 years will be restrained by the expected slow growth of the labor force, according to a new study by the Bureau of Labor Statistics. The total labor force in the U.S. is projected to grow by about 1.3% a year between now and 2005, down from about 2% per annum in the past 15 years. At the projected rate, the number of people employed in 2005 will be a little over 142 million, up from 123 million today.

Most recent trends are not expected to change much. The working population will steadily age, for instance; this should help boost productivity, as the experience level of the work force increases in step, especially as we leave the heavy lifting jobs behind us. But the rapid growth of women entering the work force is now expected to slow, to 1.6% a year from 2.3% in the earlier 15-year period.

One reason for this expected trend, explains Ronald Kutscher, associate commissioner at the BLS, is that an increasing proportion of working women have been dropping out of the work force to have children.

The single biggest change in the latest study is the increasingly rapid expected growth in labor market participation by minorities—blacks and Asians and especially Hispanics. By 2005, minorities are expected to account for more than 25% of all working people in the U.S. Given regional concentrations, says Kutscher, this means that the labor force in some areas will involve 50% or more of these groups. The fastest growth will occur among Hispanics, who are expected to make up over 11% of the work force by 2005, up from 7.7% in 1990.

Manufacturing's share of total national output is projected in the BLS study to remain around 19%, meaning that the nondefense sector will exhibit considerable growth to take up the slack left by defense cuts. But the share of employment taken by manufacturing will continue to decline, from 24% in 1975 to 17.5% in 1990, and to 14% in 2005.

That's obviously a hopeful message for productivity. But a breakdown of where those jobs will mostly be lost will provide a field day for the protectionists. Textile and garment jobs will show marked declines. And basic industrial jobs, such as running a machine tool, will be automated out of existence.

One rather depressing result from the study is that jobs for lawyers and paralegals are also expected to continue to multiply.

The service sector will continue to show the fastest job growth; almost all of the 30 fastest-growing job categories are in this sector. Health care jobs naturally dominate this list.

"Each previous study has underestimated growth in the medical sector," says the BLS' Kutscher. "It's kind of breathtaking how rapidly it continues to grow." As the population continues to age, the trend seems unending.

Automation will, however, take its toll of many mundane service jobs, such as filing clerks, accounting machine operators and the like. Increasingly, directory assistance from phone companies will be available by computer. And services will see increased foreign competition. Many back-office jobs in the financial and publishing industries have already moved to lower-cost regions like the Caribbean Basin.

The most serious implication of the study applies to today's teenagers and preteens. All of the job categories that are expected to grow the fastest require specific qualifications. And the first one required is high school graduation. This should particularly worry the Hispanic community, because of its high school dropout rates. Says Kutscher: "Today's kids must realize that if they don't finish high school, they've committed job hari-kari."

Examples of jobs projected to have the fastest growth between 1990 and 2005, and some expected to have the greatest decline.

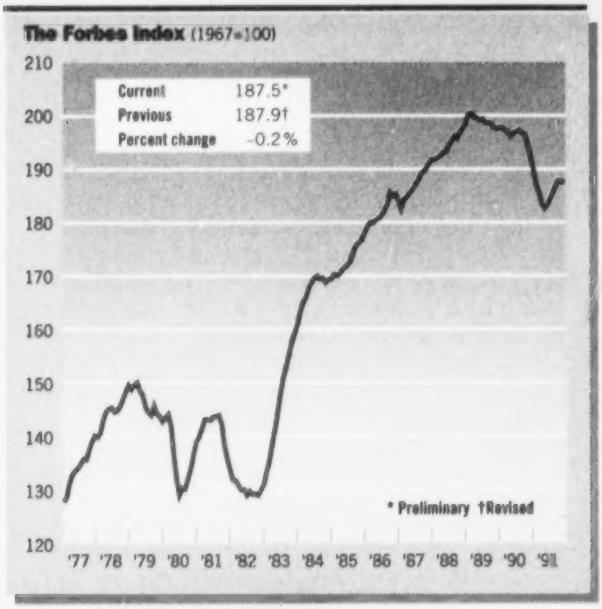
Winners and losers

Occupation	% change	Occupation	% change
Home health aides	92%	Telephone operators	-59%
Paralegals	85	Electrical equipment assemblers	-48
Systems analysts	79	Private child care helpers	-40
Physical therapists	76	Precision assembly workers	-37
Operations research analysts	73	Textile machine operators	-31
Psychologists	64	Utilities meter readers	-25
Travel agents	62	Machine tool operators	-24
Corrections officers	61	Farm workers	-21
Flight attendants	59	Garment sewers	-20
Management analysts	52	Bank tellers	-5

Source: Bureau of Labor Statistics.

THE FORBES INDEX

BY TIMOTHY DODMAN



The economy has two things going for it: low inflation and low inventories. The nonseasonally adjusted Consumer Price Index rose only 0.3% from October to November. Manufacturers' inventories declined for the seventh time in eight months. Since inventory liquidation can go on only so long, purchases should soon be matched by new manufacturers' orders. For now, the news is still dreary: Industrial production fell 0.4% in November, and new unemployment claims jumped 4.4%. After six months of marginal increases, the Forbes Index went down.

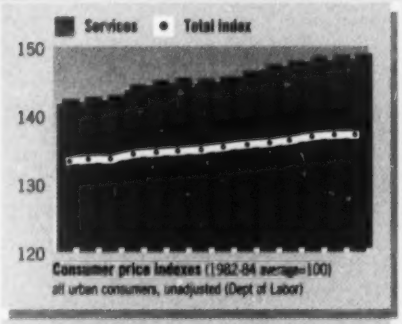
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	7.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-11.3%
Index of leading indicators Sept vs Aug	Dept of Commerce	-0.1%
Trade balance 12 months ended Sept 1991	Dept of Commerce	-$75 bil
All-commodity producer price index Nov vs Oct[2]	Dept of Labor	0.0%
GDP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	1.7%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.8%

[1] U.S.-based manufacturers, excludes imports, as of 12/10/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

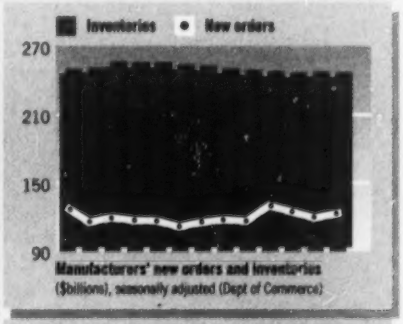
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

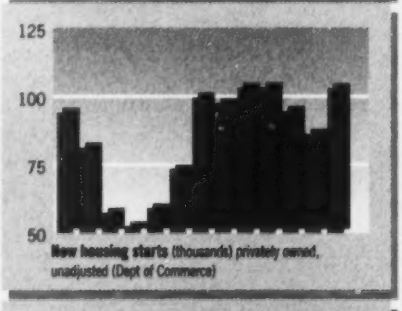


Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

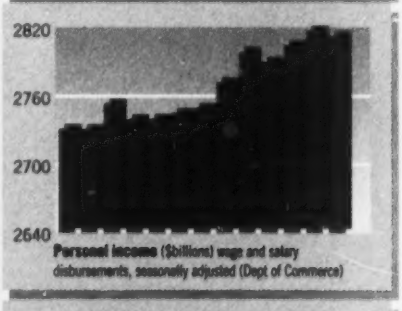


Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

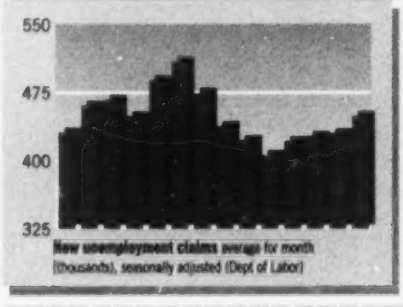
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

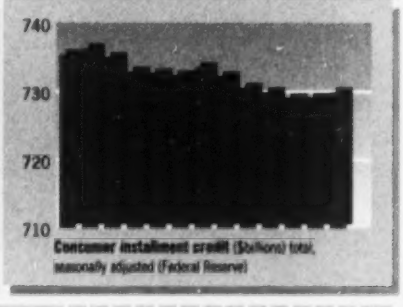


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

O N D J F M A M J J A S O N O N D J F M A M J J A S O N O N D J F M A M J J A S O N

The RJR buyout has been a smashing financial success. But enhanced debt ratings don't sell cigarettes.

Meanwhile, back at the retail counter

By James R. Norman

NO QUESTION: Henry Kravis has pulled it off. By selling over $7 billion of new stock in RJR Nabisco Holdings and almost $6 billion of assets, his Kohlberg Kravis Roberts & Co. has cut RJR's debt from $29 billion at the time of the buyout in early 1989 to about $14 billion today. In mid-December, rating agencies raised RJR bonds back to investment grade. Meanwhile, RJR common has doubled since last winter, despite the tremendous dilution from the issuing of new shares.

That's the financial picture, and it is a beauty. But RJR doesn't just operate in the financial world. It must also sell lots of Ritz crackers, Oreo cookies and—most of all—lots of cigarettes. Louis V. Gerstner Jr., lured from American Express to be RJR's chairman and chief executive, must see to it that these goods keep moving off the shelves and into consumers' hands. Especially domestic cigarettes, which bring in a hefty 40% of RJR's revenues and two-thirds of its operating revenues.

Operating profit margins on RJR's $5 billion U.S. tobacco business remain an enviable 40%. But there are signs of deterioration. RJR continues to lose market share at a worrisome rate *(see chart)* in a cigarette business that is itself shrinking steadily by 3% to 4% a year. RJR's foreign tobacco sales are growing but are less than half as big as the U.S. operations and half as profitable.

In the U.S. a price war of sorts has roiled the long-disciplined tobacco market, resulting in the biggest shifts in market-share trends since the 1950s. While RJR management was preoccupied with financial problems, Philip Morris and other competitors were getting ahead in a burgeoning new market for cut-price smokes. In just two years, discount cigarettes have doubled their volume, to a quarter of the domestic market. They are heading quickly toward a one-third share. With cigarettes at $2 a pack and the economy in recession, even diehard smokers are watching their pennies.

Ironically, discount cigarettes was a market RJR had almost single-handedly created in 1985 when it launched Doral, selling for 40% less than its regular Camels and Winstons. But RJR's once dominant share has been outpaced by powerhouse Philip Morris *(see chart)*.

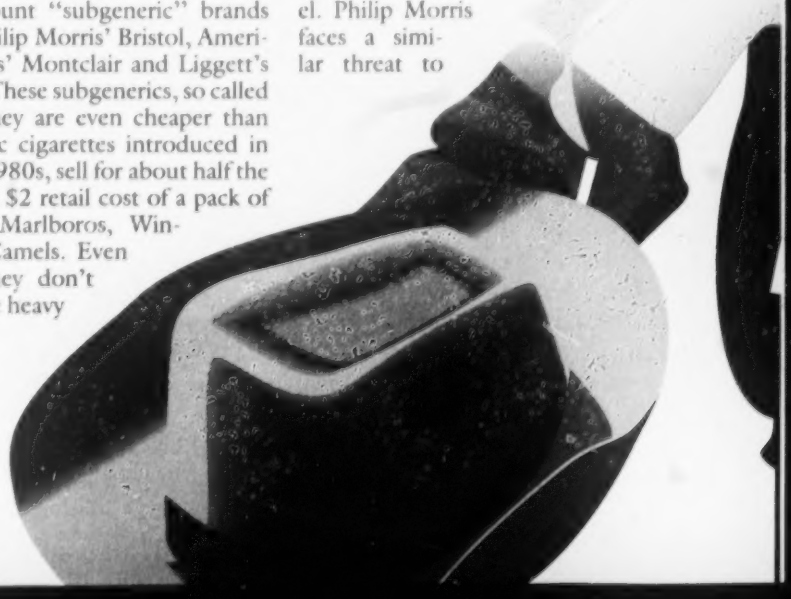
The biggest growth has been in deep-discount "subgeneric" brands such as Philip Morris' Bristol, American Brands' Montclair and Liggett's Pyramid. These subgenerics, so called because they are even cheaper than the generic cigarettes introduced in the early 1980s, sell for about half the more than $2 retail cost of a pack of full-price Marlboros, Winstons or Camels. Even though they don't require the heavy advertising support of the standard brands, these subgenerics are still less profitable than regular brands, yielding about two-thirds of the profit margins of full-price brands.

What is more worrisome, the discount brands have shattered old assumptions about brand loyalty and put a lot of market share up for grabs. "For 35 years it was hard to introduce a new brand," says American Brands' American Tobacco Chief Executive Charles Mullen. "Now we've had a window of opportunity, and we ain't through yet."

Despite leading the way previously with Doral, RJR refused to join in the new deep-discount fray in 1988 for fear of further cannibalizing its higher-priced Winston, Salem and Camel brands. But the low-price segment outgrew all expectations anyway, costing RJR several points of market share.

Last March RJR admitted its mistake and cut the price on its Magna and Sterling brands 30% to stem the erosion. "Total market share is important in getting shelf space," concedes Clifford Pennell, RJR's vice president for what it calls the "savings" brands. "We're going to defend our business in the low-priced end."

At the same time, disguised price-cutting has erupted in the top end of the market. RJR has had to step up couponing—discounting, by another name—to defend Winston, Salem and Camel. Philip Morris faces a similar threat to



Marlboro but has been better able to ride out the storm thanks to that brand's strong image and customer loyalty. Its unit sales for the first half of 1991 are down only about 4%, versus a nearly 8% drop for Winston, RJR's leader.

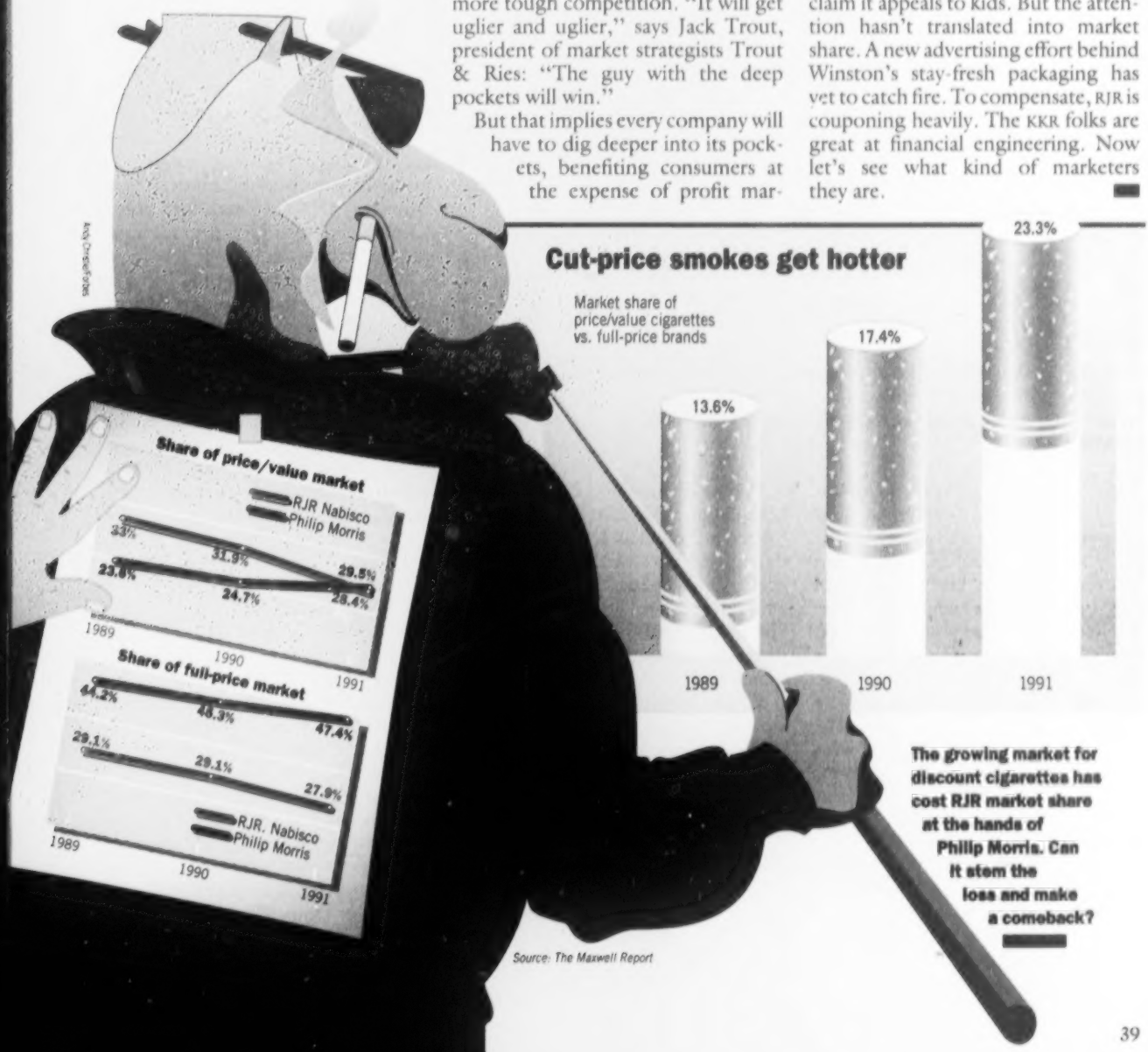
Between the new discount brands and the full-price couponing, industry sources say about 40% of the 460 billion cigarettes sold in the U.S. this year will have some kind of off-price deal. Even some discount brands have been couponing. All told, this price competition has partly offset the nominal double-digit price hikes in the past year.

The biggest price hikes have been in the deep-discount brands, which now sell at 40% below full price, rather than 60% below two years ago. But that escalation may have opened the door for yet a lower-priced tier of new brands. Liggett, which has been a low-price leader in the past, may again take the lead here. "We're looking at everything," says a cagey Gerald Reid, Liggett senior vice president of marketing.

Philip Morris, however, has shown that it is determined to keep the lead it has achieved in low-end cigarette market share, setting the stage for yet more tough competition. "It will get uglier and uglier," says Jack Trout, president of market strategists Trout & Ries: "The guy with the deep pockets will win."

But that implies every company will have to dig deeper into its pockets, benefiting consumers at the expense of profit margins. It also implies a battle royal in the marketplace. So far the big winners have been Philip Morris and American Brands. Their overall market shares have climbed impressively, thanks to new cut-price brands like Bristol and Bucks (from Philip Morris), and Montclair, Misty Slims and Bull Durham (from American Tobacco). Well-heeled Philip Morris is also taking full advantage of RJR's financial constraints and is stepping up the tempo of price changes and costly brand introductions.

RJR's Lou Gerstner has not been idle. His Joe Camel advertising campaign has attracted lots of attention—not all of it welcome, since critics claim it appeals to kids. But the attention hasn't translated into market share. A new advertising effort behind Winston's stay-fresh packaging has yet to catch fire. To compensate, RJR is couponing heavily. The KKR folks are great at financial engineering. Now let's see what kind of marketers they are.



Annual Report on American Industry

By Steve Kichen

Lean, mean, smart. Qualities of the 21 companies profiled in our 44th Annual Report on American Industry. Not only are these firms setting the pace for their industries in the midst of an economic slump, but they're well positioned to prosper once recovery kicks in.

Their stories are instructive in an otherwise sobering report of how corporate America is coping with the weak economy. Companies big and small are slashing employment. Defense contractors face an uncertain future. Energy companies face depressed prices. The capital goods business is still weak. The airline industry remains in a tailspin. Consumers just aren't spending. Not even the lowest mortgage rates in 15 years have revived housing.

Yet—as always—there were companies that coped well with adversity. FORBES has identified one standout in each of the 21 industries covered in this survey. How did we pick them? FORBES statisticians screened more than 1,000 companies to sort out those with the highest profits per employee, the highest sales per employee, the best return on equity and the lowest debt levels.

Using these lists as guidelines, FORBES writers then applied some subjective criteria to come up with a more well-rounded measure of efficient operation: Does the company really understand what its customers want and need? Is it getting the most out of its employees—not just in terms of productivity but in carrying out creative organizational changes to make decision making more decentralized. Finally, does the company execute what it sets out to do?

Some standouts: King World Productions, the leading distributor of first-run syndication television. It has fewer than 500 employees but earned nearly as much last year as the ABC television network. Jacobs Engineering, a construction company with a staggering 23% return on equity, thrives on a "faster, better, cheaper" quality improvement program that sets minimum standards for every job. Then there is the sage advice from Joseph Williams, chairman of Williams Cos., which in recent years has jettisoned some businesses it had been in for years. "Never fall in love with your assets," he says. "If you do, you're a goner."

There wasn't much to love last year when it came to corporate performance. Latest 12-month sales growth for the median firm in this survey fell to 3.7%, compared with 6.6% one year earlier. That barely kept pace with inflation. The bottom line was this: Big corporate America had no real growth last year. Profits? Even worse. The median 12-month return on equity figure fell from 12.1% to 9.9%.

Day after day, the newspapers chronicled the inevitable consequences. IBM shed 10,000 workers and planned to cut another 20,000 this year. GM is expected to announce a new round of multibillion-dollar writeoffs and plant closings. Late in 1991 Pan Am and Midway shut down and another 12,500 people lost their jobs.

It's hard to detect a silver lining in these black clouds, but there is one: In the 1981-82 recession, drastic cutbacks in employment and factory closings helped create a leaner, smarter, more efficient corporate sector. When the economy recovered, profits came roaring back. There is every reason to expect that the process will repeat in the early 1990s.

In these days of global business, it is getting harder and harder to draw a clear line between U.S. and foreign companies. This year we added another 15 international giants. For example, we list Honda as the most efficient "American" carmaker. No, this isn't a mistake. Half of Honda's $35 billion in sales comes from the U.S.; 14,300 Americans work here for Honda, assembling 450,000 cars a year. And Honda's Accord is the bestselling car in America. Welcome to the global economy.

How we calculate the results

Company	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital	Debt/ capital	Sales		Earnings per share				
	5-year average %	latest 12 mos %	latest 12 mos %	%	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %

Profitability

Return on equity is calculated by taking primary earnings per share and dividing it by common shareholders' equity at the beginning of the year. FORBES calculates common shareholders' equity by assuming the conversion of all convertible preferred stock. For nonconvertible preferred stock, their liquidation value is subtracted from total equity.

Net income and earnings per share include gains or losses from discontinued operations but exclude extraordinary items.

Five-year average return on equity is calculated with a modified version of the sum-of-the-years digits method. This technique attaches a greater importance to the most recent results. Negative earnings are included in the calculation—provided the company has positive equity for the period in question. Companies are penalized for years in which they have a negative equity. If a company shows return on equity exceeding 100% in a given year, our computers automatically scale back this value to 100%.

For return on capital, we divide a firm's total capitalization into the sum of these three items: aftertax profits, the amount remaining if the interest paid on long-term debt were taxed, and minority interest. Most companies (excluding electrical utilities) do not report interest expense on long-term debt. In these cases FORBES estimates this figure for the latest 12-month reporting period. We assume a 34% corporate tax rate to compute the tax break derived from the interest expense. We define total capitalization as the sum of long-term debt, common and preferred equity, deferred taxes arising from depreciation accounting, investment tax credits and minority interest in consolidated subsidiaries.

Growth rates

We use the least-squares method to calculate sales and earnings growth rates. This equation adjusts for sharp fluctuations and comes up with a result that closely reflects the average rate of growth. Example: During a four-year period a company's earnings go from 50 cents to $1.25, then to $2.50 and finally $2.75 in the last year. That's a 150% jump from the first year to the second year, 100% in the third, and 10% in the fourth year. Least squares says that, on average, earnings grew by 78.7% (0.50 x 1.787 x 1.787 x 1.787). If you try to perform this calculation yourself, you will come up with $2.85 rather than $2.75 in the final year. That's because the regression equation finds an answer that best fits the year-to-year change for all four years, not just between the first and last year.

The least-squares equation has one major limitation: It does not work with negative values. If earnings were negative at the start of the period, we calculated the growth rate for a shorter period, beginning with the first positive year. If a company lost money during one year in the middle of the measuring period, we dropped the year from our calculation and measured the growth rate over the remaining positive periods. Our assumption: that a brief loss should not dictate the direction of a company's long-term performance. However, if the company lost money in more than one year, a five-year growth rate is not calculated and the result is listed as not meaningful (NM).

We also had our computer check all growth rates with a comparison measurement to see if the earnings pattern made sense. Here's an exaggerated example: Over a four-year period a firm earned $10, 25 cents, $18 and 50 cents a share. The resulting growth rate, –37.6%, does a miserable job of describing the year-to-year change in the company's earnings. For such companies with wildly fluctuating profits, we marked the growth rates as not meaningful.

Time periods

The five-year growth rates shown in this issue require six years' worth of data. These rates are based on latest fiscal year-end results. If a growth rate covers a period of less than five years, we marked it with a footnote. When the range of available data is less than four years, the growth rate is marked as not available (NA).

Latest 12-month comparisons are between the most recent four quarters and the same four quarters in the previous year. Sales, net income and profit margins are measured over the latest 12 months. Debt as a percentage of total capital is based on the latest balance sheet.

Definitions

FORBES defines sales as net sales plus other operating revenue. Bank revenues consist of total interest income plus other income. For insurance companies, sales include premium income plus net investment and other income. Debt as a percentage of capital measures long-term debt, including capitalized leases, divided by total capitalization.

We calculate medians by listing the companies in rank order and selecting the middle company's value. When there is an even number of companies, we arrive at the median by averaging the data on the two middle firms. The all-industry median is calculated by taking the median of 21 individual industry medians. Companies marked with an NA are excluded from our median calculations. ■

Preparing for even more draconian cuts in defense spending, suppliers are cutting jobs and costs.

By Howard Banks

Defense contractors are finally feeling the effects of reduced spending. Employment in this sector dropped 8% in 1991, to 1.2 million workers.

Tougher cuts are ahead. The Pentagon is working on "Base Force II," a program to reduce its budget by another $30 billion by 1995. This follows an almost 20%, or nearly $50 billion, cut already in progress. Spending on procurement and research and development in 1995 is expected to be $91 billion, down 45% in real (1992 dollars) terms from its 1985 peak.

Production of General Dynamics' F-16 fighter has been cut to 48 aircraft for 1992. That's down from the 72 jets that were originally planned. And, except for replacing the handful of planes lost in Desert Storm, McDonnell Doug-

Working both sides of the swings

MANY companies have talked about preparing for the downturn in defense spending, but few have made as much progress as Textron Inc. Five years ago military business accounted for around 60% of its Bell Helicopter sales and closer to 70% of its Textron Aerostructures division's sales. Today the military-civil split has in each case almost exactly reversed. That's important, because the two divisions combined represent 46% of the conglomerate's $7.9 billion sales.

"We decided in the early 1980s that there had to be a better balance between military and civil. In the case of helicopters, the world market is not big enough to be in just one part or the other," says Webb F. Joiner, president of Bell Helicopter Textron Inc.

The opportunity to separate military and civilian operations came in the early 1980s when the Canadian government asked for bids to create a commercial helicopter business. Textron won and set up shop in 1984 near Montreal's Mirabel airport.

The Canadian government invested $181 million of the $225 million cost. Bell currently has a third of the total world civilian chopper market and employs 1,300 workers in Canada.

The Canadian connection runs pretty deep. Bell gets access to Canadian government export finance as well as promotion help from that country's embassies around the world (U.S. embassies are reluctant to get involved this way). Canada is also helping Bell move into formerly communist Central European markets.

Canada has, for example, put up 25% of the estimated $49 million development cost of Bell's new six-to-ten-passenger model 230. But this deal has an added twist. Japan's Mitsui (U.S.A.) Inc. has put up an additional unspecified amount of working capital for the project and will take 20 of the first 50 choppers.

Textron also forged international links with its Aerostructures division. It became a risk-sharing subcontractor to British Aerospace on two projects.

Reid Horn

Textron's Webb Joiner
Switching to civil choppers.

The first is for the wing structure for BAe's 146 short-range jet. The second, an approximately $50 million investment, gave Textron the contract to build a major part of the wing for the Airbus A330 and A340.

New ventures bring risk, but Joiner is confident that Textron can handle the changes: "We are now well set to cope with the inevitable up and down swings in our aerospace businesses, whichever way it goes in future."

–H.B.

las has virtually stopped making F-15s. Manufacturers of military jet engines will also feel the pinch: General Electric expects to build as few as 240 engines in 1995, down from 610 engines in 1985. United Technologies' Pratt & Whitney division faces the same kind of cutback.

In 1991 commercial jet deliveries hit a record $36.4 billion, a 17% increase over 1990. But this was not enough to offset the decline in military business: Return on equity of aerospace firms sagged to 9.4%, down from 13% in 1990. Profits, however, are expected to be up 3% in 1991, to $4.6 billion, according to the Aerospace Industries Association, thanks to cost-cutting and layoffs.

New orders for airliners are getting harder to find. In the fall Boeing will cut production of its 737 from 21 a month to 17. Firm backlogs are also declining. Boeing's $98 billion announced order book is down 5% from 1990; McDonnell Douglas' is down 12%, to $22.4 billion. When Frank Shrontz, Boeing's chairman, recently said that Boeing would probably lose orders if the economy didn't pick up soon, Boeing's stock dropped 3⅛ points in one day, even though the Seattle-based company has yet to have any cancelations.

There are still a few juicy defense projects. Spending on space is expected to reach $31.8 billion in 1992, up from $28.9 billion in 1990. In 1992 the Strategic Defense Initiative will soak up about $4 billion, including increased spending on surveillance satellites and a limited ground-based antiballistic-missile system. This will benefit companies such as Lockheed, Martin Marietta, Hughes Aircraft and Rockwell International. ■

Aerospace & defense

	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Teledyne	45.8	def	def	50.6	1.8	-5.2	NM	P-D	3,269	-53	def
Martin Marietta	27.6	20.9	15.6	22.4	6.9	-3.7	11.3	-2.1	5,963	326	5.5
Raytheon	24.2	20.2	20.1	1.3	7.3	2.7	14.1	4.5	9,301	578	6.2
GenCorp	22.9	14.4	11.7	63.3	-10.6	6.6	15.3	3.4	1,919	29	1.5
General Electric	19.9	20.4	11.7	47.7	11.3	4.6	15.6	6.8	59,938	4,411	7.4
Precision Castparts	19.8	13.0	11.6	8.0	19.5	14.8	18.8	16.4	568	35	6.2
Teleflex	18.9	15.3	11.5	31.9	20.1	8.3	16.4	2.5	459	29	6.4
Rockwell Intl	18.1	14.7	11.8	13.1	NM	-3.7	4.1	0.4	11,927	601	5.0
Loral	17.2	14.6	9.9	36.2	23.8	99.1	10.1	18.6	2,829	103	3.7
E-Systems	16.3	16.3	14.3	10.0	14.0	8.6	12.6	23.0	1,921	105	5.5
Boeing	15.7	21.2	19.9	3.8	13.0	12.4	14.5	29.9	28,576	1,482	5.2
Lockheed	15.4	10.9	8.7	30.4	NM	0.0	NM	142.4	10,019	304	3.0
Thiokol	15.2	18.2	10.8	32.0	7.2	3.8	NM	22.7	1,252	55	4.4
Allied-Signal	14.9	def	def	37.7	4.7	-2.3	NM	P-D	11,970	-281	def
Fairchild	14.8	def	4.5	66.9	26.9	-22.8	NM	P-D	513	-9	def
United Technologies	13.8	6.0	5.9	25.9	7.4	0.2	21.9	-54.2	21,059	372	1.8
Sundstrand	12.5	15.0	12.5	35.9	4.4	3.5	18.0	-13.2	1,655	94	5.7
Sequa	12.2	def	1.5	52.3	33.0	-13.0	-29.6	P-D	1,914	-15	def
Textron	12.0	10.6	7.7	69.9	7.0	2.2	0.8	7.7	7,969	294	3.7
Litton Industries	11.5	5.5	5.6	40.3	3.5	3.5	NM	-56.8	5,351	65	1.2
Kaman	11.4	9.4	7.6	35.2	8.9	-3.3	-7.8	-6.5	791	18	2.3
Harsco	10.8	15.8	13.3	28.5	6.8	17.9	NM	41.4	1,862	69	3.7
Grumman	8.4	10.0	8.4	42.6	4.3	6.2	NM	10.0	3,967	92	2.3
McDonnell Douglas	8.0	6.0	5.7	53.0	6.7	8.4	-15.4	-42.3	17,803	211	1.2
Hexcel	7.1	2.5	3.5	45.5	10.9	0.1	-18.7	500.0+	387	3	0.9
UNC	7.0	4.9	5.4	57.0	NM	-7.5	NM	D-P	356	7	1.9
Northrop	6.9	16.6	11.7	32.8	NM	6.7	NM	28.0	5,648	172	3.1
Rohr Industries	6.1	7.4	6.4	52.3	17.2	28.4	-5.0	Z-P	1,385	31	2.2
Oshkosh Truck	6.0	0.7	0.9	7.4	2.2	-7.4	NM	D-P	420	1	0.2
SPS Technologies	3.4	def	def	28.3	8.3	-7.4	NM	P-D	396	-5	def
GM Hughes Electronics	2.9	1.2	5.5	3.2	3.8	-2.2	8.8	-38.0	11,232	445	4.0
General Dynamics	2.8	def	def	31.0	4.3	-11.7	NM	P-D	9,016	-191	def
Wyman-Gordon	1.6	def	0.6	26.3	NM	-1.2	NM	D-D	387	-1	def
Avondale Industries	def	def	def	18.9	11.3	7.9	NM	D-D	798	-31	def
Talley Industries	def	def	def	71.1	3.3	-17.3	NM	D-D	324	-61	def
Alliant Techsystems	NA	31.1	18.9	43.2	3.4*	3.4	NA	NA	1,265	42	3.3
ESCO Electronics	NA	def	def	3.1	-1.8	-10.6	NA	D-D	481	-67	def
Industry medians	12.2	9.4	7.6	32.8	6.8	2.2	-18.7	1.5	1,919	42	2.3
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. Z-P: Zero to profit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Thanks to corporate penny-pinching, the service industry experienced a lot of pain and not much gain last year.

By Reed Abelson

Forget service with a smile. The companies that provide temporary help, clean offices and haul trash have been gritting their teeth ever since the decade began. After experiencing double-digit earnings-per-share growth for much of the 1980s, these companies saw their profits fall an average of 10.1% in the last 12 months, following a 13% decline for the previous four quarters.

The weak economy was largely responsible for this poor performance. Businesses simply cut back on the number of pens and paper clips they ordered and put off renovations. Even Minnesota Mining & Manufacturing, the creative $13 billion (1990 sales) maker of everything from Post-it note pads to medical diagnostic imagers, is expected to show a profit decline in 1991, the first decline since 1985.

Conventional wisdom says that companies make heavy use of temporary employees during a recession in order to keep their payrolls lean and save on benefits. This wasn't the case for personnel firms like Kelly Services, Olsten Corp. and Adia Services. In the last 12 months the group fell victim to a white-collar recession, and earnings fell by more than a third.

Browning-Ferris Industries, the Houston waste hauler, also had a hard time. Hurt by the recession (much of its business is in the Northeast), the company took a $156 million charge in its fourth quarter to meet new government regulations covering its 100 solid-waste landfills.

In contrast, First Financial Management, which pro-

Business services & supplies	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Business services											
Rollins	44.4	35.1	29.1	0.0	R.0	9.4	8.8	13.2	467	30	6.5
Kelly Services	29.6	13.5	13.6	0.0	10.6	-3.0	19.2	-36.1	1,417	46	3.2
Pinkerton's	26.4	23.1	14.2	36.3	26.9	3.6	34.5	5.3	610	11	1.8
Olsten	21.2	10.2	7.7	35.5	20.0	30.8	14.8	-36.5	789	10	1.3
Equifax	21.0	13.0	9.4	14.6	12.7	6.6	11.0	-23.1	1,083	49	4.5
Automatic Data	20.9	21.9	19.4	4.6	7.9	3.6	17.6	13.2	1,787	232	13.0
Safeguard Scientifics	19.9	14.8	9.5	47.0	59.7	34.2	21.0	-9.3	565	12	2.1
Wackenhut	17.2	20.1	12.0	51.8	11.8	10.6	7.9	14.5	561	8	1.4
First Financial Mgmt	15.5	14.2	11.7	30.0	102.2	22.2	43.9	23.7	1,478	89	6.0
Shared Medical Sys	15.4	14.0	12.9	2.0	4.0	9.7	-11.4	10.2	432	25	5.7
Adia Services	15.1	4.7	4.7	3.1	27.9	-1.8	21.0	-52.1	645	9	1.3
Computer Sciences	15.0	12.4	11.5	16.3	15.0	13.6	20.5	-1.7	1,834	66	3.6
General Motors EDS	14.5	9.8	22.2	10.1	10.8	15.3	20.9	11.9	6,626	541	8.2
Standex International	13.7	13.4	10.5	31.3	4.7	0.0	14.2	-10.9	474	19	4.1
AAR Corp	13.0	6.1	5.3	22.7	13.8	1.2	6.0	-54.4	458	12	2.5
PHH	12.3	11.8	9.3	69.1	16.5	0.7	NM	23.4	1,991	46	2.3
American Building	11.9	13.3	12.0	19.2	9.8	8.3	14.4	10.0	723	11	1.5
PS Group	5.7	def	def	47.3	-23.3	3.3	NM	D-D	285	-35	def
National Education	2.4	def	0.9	39.4	15.9	-0.8	NM	D-D	377	-2	def
Volt Info Sciences	0.8	def	3.5	51.9	5.1	-9.6	NM	P-D	464	-1	def
Medians	15.2	13.2	11.0	26.3	12.2	5.1	14.3	-5.5	628	16	2.4
Business supplies											
Deluxe	29.2	27.1	25.9	12.8	13.9	5.9	9.7	10.7	1,466	184	12.6
HON Industries	26.6	25.6	19.8	19.4	6.4	-7.4	13.8	13.7	608	34	5.6
Minn Mining & Mfg	22.1	17.9	17.0	4.6	11.0	5.5	16.4	-7.8	13,396	1,190	8.9
Alco Standard	19.1	15.6	12.9	36.2	3.2	10.4	15.1	2.0	4,756	118	2.5
Reynolds & Reynolds	17.8	17.1	8.5	31.7	6.3	0.7	NM	-7.4	599	22	3.8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. P-Z: Profit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

The check is in the (electronic) mail

A LOT of companies pay lip service to the idea of efficiency, but Harold Haverty, the chief executive of Deluxe Corp., has had to do a lot more than talk. Deluxe's core business of printing checks ekes out just a percentage point or two of unit growth a year. And while the vision of a checkless society was premature, businesses and, to a lesser extent, consumers are increasingly using computers rather than paper to pay their bills.

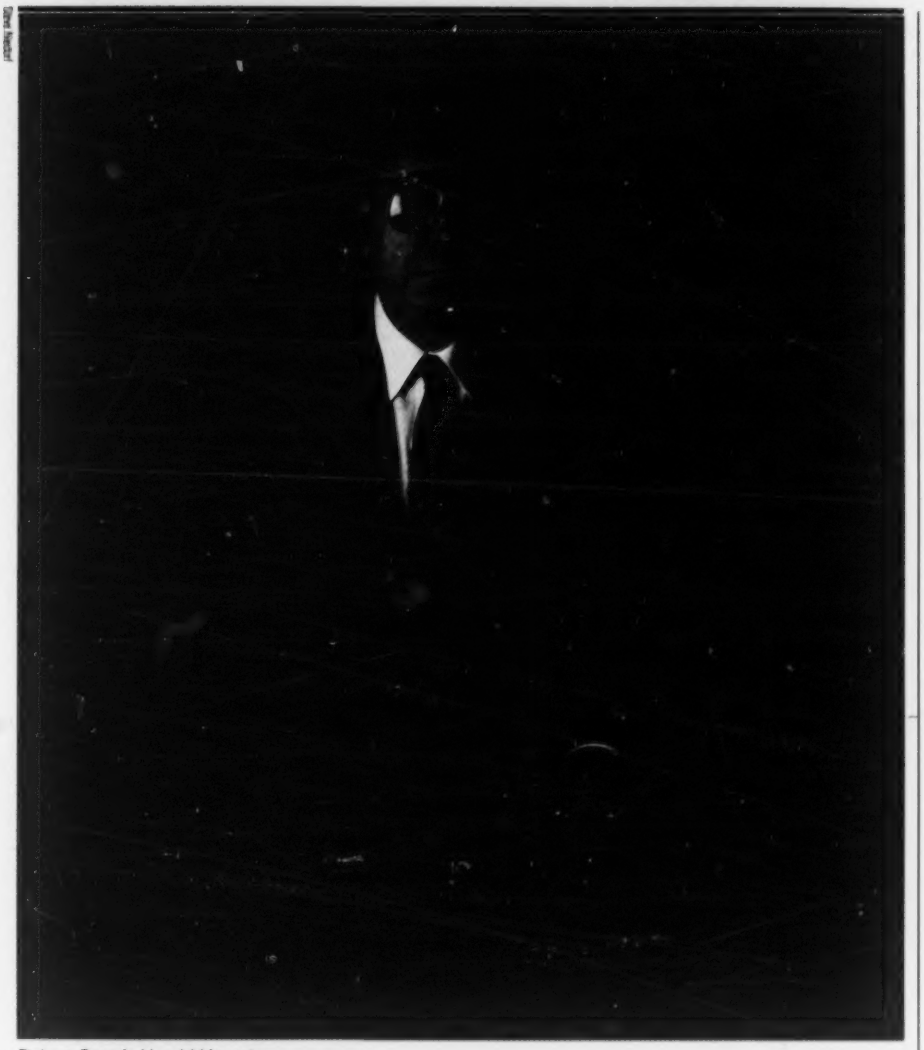
It's under these conditions that Haverty has managed to achieve 10% average earnings-per-share growth for the last five years. In the last 12 months, earnings reached $184 million on revenues of $1.5 billion. The company's return on equity has averaged 29% over the last five years.

How has Haverty accomplished all this? The St. Paul, Minn. company prints checks for more than 22,000 banks and commands over half the $1.9 billion check-printing market, so there isn't much room to grow through acquisition. So Haverty has invested over $125 million since 1987 in the latest check-printing technology. When Deluxe couldn't buy a more efficient printing system from outside vendors, it developed its own. With over 60 printing facilities across the country, Deluxe can serve any customer. Over 95% of traditional checks can be printed and shipped within two days.

But Haverty hasn't just concentrated on squeezing the last drops of profit growth from his core business. Deluxe is now the largest third-party processor of electronic debit transactions, and many of its clients are the same banks that buy Deluxe checks. The data systems subsidiary also provides software and processes transactions for three of the five largest regional bank ATM networks. In addition, Deluxe has its fingers in the emerging point-of-sale and government benefits transfer markets. It was recently awarded a five-year, $34 million contract by New York State to develop an electronic system for its Medicaid program.

In its one big acquisition outside the funds transfer business, Deluxe bought a direct-mail company in 1987 that sells greeting cards, gift wrap and small gifts. The mail-order business has a list of over 9 million customers. What's the synergy here? Someday many of these people could be paying bills on home computers.

Deluxe still prints about 25 billion checks a year, but it is now using some of its excess capacity for printing short-run business forms. What happens if checkbooks eventually go the way of the buggy whip and the vacuum tube? Deluxe seems to be well prepared. –R.A.



Deluxe Corp.'s Harold Haverty
Achieving double-digit profit growth in a mature market.

vides data processing to financial institutions, has a five-year earnings-per-share growth rate of 44%. First Financial has been gobbling up companies, including Georgia's largest thrift, which was purchased in 1989. JWP Inc., the technical services company, made its most aggressive acquisition to date: Businessland, the troubled computer retailer, for $100 million in November 1991. But the October 1990 merger that formed Avery Dennison Corp. led to a $99 million restructuring charge.

Another company that may have had its fill of mergers is Xerox, which finally unloaded some burdensome financial services businesses. It recently announced plans to lay off about 2,500 employees, which will result in a writeoff of $175 million in the fourth quarter. Pitney Bowes, which spent roughly $250 million in R&D in the last few years, is ready to debut a new line of postal equipment.

Automatic Data Processing, the largest U.S. independent computer services outfit, was able to continue posting double-digit earnings growth during the last 12 months. Merrill Lynch's Stephen McClellan thinks Automatic Data Processing and other computer service companies like Computer Sciences and EDS should benefit from the growing tendency of corporations to hire somebody else to take care of their data processing. Once the recession is over, corporate America will probably again look to all these companies for services and supplies. ■

Business services & supplies	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Pitney Bowes	17.8	18.1	11.5	34.1	12.2	4.8	6.6	103.4	3,293	289	8.8
Interface	17.3	5.6	5.9	56.3	44.2	-1.3	21.0	-56.4	601	11	1.9
Wallace Computer Svcs	15.4	12.5	11.2	5.7	8.9	2.3	8.4	-12.4	459	35	7.6
Comdisco	14.8	11.5	8.2	63.5	20.1	12.4	NM	-14.8	2,174	69	3.2
Herman Miller	13.2	1.9	2.7	14.6	11.6	-6.8	-11.5	-87.9	831	6	0.7
Moore Corp	12.8	6.2	5.8	2.8	6.8	-9.5	NM	-38.9	2,547	95	3.8
Standard Register	12.2	5.7	5.3	9.9	9.4	-2.3	-6.0	-52.3	698	18	2.5
Nashua	11.9	5.5	5.8	18.6	NM	-7.4	7.3	-57.4	538	7	1.4
Mine Safety Appliance	11.3	8.5	7.5	7.4	3.4	8.6	6.5	-17.3	495	24	4.8
United Stationers	10.3	5.6	5.4	26.8	9.2	-4.2	-6.9	-22.9	951	10	1.0
Diebold	9.2	8.0	8.4	0.5	3.3	3.0	NM	5.5	489	30	6.2
Avery Dennison	9.1	0.0	1.1	21.9	10.3	0.1	21.7	P-Z	2,568	0	def
Xerox	7.6	8.5	8.8	41.0	9.3	1.9	-10.1	289.3	17,968	598	3.3
AM International	def	1.2	5.7	31.6	NM	-2.1	NM	D-P	858	9	1.0
Anacomp	def	NE	13.5	104.1	39.9	-2.6	NM	500.0+	635	18	2.9
Savin	def	def	def	124.5	-2.2	-8.3	NM	D-D	335	-31	def
Smith Corona	NA	23.3	16.1	25.3	7.2	-19.7	NA	-26.0	352	17	4.8
Medians	12.8	8.2	8.3	23.6	9.1	-0.6	-6.0	-13.6	765	23	3.3
Industrial services											
JWP	25.7	15.7	10.5	43.0	78.5	23.1	41.2	5.1	3,212	60	1.9
Safety-Kleen	22.0	13.5	10.8	30.8	22.2	20.8	16.8	4.0	666	58	8.7
CDI	20.2	def	def	32.3	18.5	-14.8	11.0	P-D	794	-4	def
Figgie Intl	15.7	7.2	6.3	44.6	11.7	-5.5	8.6	-45.9	1,268	26	2.1
Ogden	15.3	7.5	5.0	75.1	11.8	-0.9	-12.7*	-49.4	1,546	36	2.4
Ecolab	14.7	10.5	10.1	37.6	21.8	-5.4	NM	212.1	1,297	51	3.9
Millipore	12.7	7.5	6.9	18.6	14.0	8.2	NM	-40.0	739	32	4.4
Browning-Ferris Inds	10.7	5.5	4.5	46.3	19.8	7.3	-13.4	D-P	3,183	65	2.1
CR5S	10.7	def	2.4	33.6	8.8	-2.2	-51.5†	P-D	475	0	def
Air & Water Tech	def†	def	def	52.3	12.4	12.8	NA	D-D	657	-24	def
Medians	15.0	7.3	5.6	40.3	16.3	3.2	-12.7	-43.0	1,031	34	2.1
Environmental & waste											
ICF Intl	29.2†	def	def	58.1	81.5	25.9	86.4	P-D	683	-18	def
Waste Management	24.5	20.8	11.3	40.4	30.0	37.7	24.0	11.7	7,397	775	10.5
Thermo Electron	12.9	12.7	9.7	35.7	21.6	22.5	19.0	20.3	801	43	5.3
Zurn Industries	12.7	12.1	11.5	3.9	13.8	-5.4	13.5	7.9	620	31	4.9
Medians	18.7	12.4	10.5	38.0	25.8	24.2	21.5	9.8	742	37	5.1
Industry medians	14.8	10.3	9.0	31.4	11.7	2.6	8.5	-10.1	731	26	2.7
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. P-Z: Profit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Business is still weak. But most of these outfits are in good shape to rebound smartly when the recovery finally comes.

By Brigid McMenamin

The recession continues to batter the troubled capital-goods industry. New orders for capital goods were 5.6% lower in the first ten months of 1991 than in the prior year's same period. The latest available figures show a 7% increase in exports of capital goods in the first eight months of 1991. But that's about half the increase posted in the same period of 1990. Last year foreign demand for U.S.-made capital goods was hampered by a stronger dollar and weak local economies.

During the first nine months of 1991, retail sales of heavy equipment fell 21%; sales of mining equipment were off 10%. Bucking that trend was industry leader Harnischfeger, whose mining division registered a 3% sales gain, largely on the strength of exports of surface-mining shovels. Makers of construction equipment saw a 30% sales drop through the summer of 1991. Terex, which makes heavy-duty off-road construction and mining machines, lost $19 million in the first nine months of the year. Caterpillar expects at least $172 million in losses for 1991.

Manufacturers of farm machinery continued their bru-

Capital goods	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Electrical equipment											
MagneTek	44.5	23.4	11.4	67.4	28.7	7.4	60.4	1.4	1,163	35	3.0
Mark IV Industries	33.2	14.2	8.4	68.5	57.4	25.2	42.2	-54.2	1,063	26	2.4
Premier Industrial	29.0	26.9	25.2	2.0	8.8	0.2	17.2	-3.1	633	73	11.5
Emerson Electric	20.4	21.1	18.9	12.8	8.0	-1.9	9.4	2.9	7,427	632	8.5
Hubbell	20.0	18.8	17.8	1.5	6.5	4.1	12.2	5.7	747	90	12.0
General Electric	19.9	20.4	11.7	47.7	11.3	4.6	15.6	6.8	59,938	4,411	7.4
Westinghouse	18.5	def	def	70.2	3.3	1.7	NM	P-D	13,080	-1,706	def
Valmont Industries	18.2	6.7	7.2	37.4	9.4	-7.1	58.0*	-58.4	443	8	1.7
WW Grainger	17.6	15.6	14.5	1.3	12.8	8.0	13.8	2.8	2,046	127	6.2
Honeywell	14.7	19.7	16.2	25.9	8.9	-1.5	NM	-39.3	6,155	338	5.5
Willcox & Gibbs	13.4	1.3	4.3	50.0	22.3	5.1	NM	-88.4	592	2	0.3
National Service	12.7	4.8	4.2	4.0	5.4	-2.8	-8.5	-67.8	1,602	32	2.0
Imo Industries	8.5	4.5	6.3	53.1	26.0	0.6	NM	-37.1	1,034	15	1.5
Penn Central	6.6	5.4	5.6	29.3	-4.7	24.3	NM	5.0	2,576	84	3.3
Genlyte Group	NA	2.9	5.6	66.4	5.7	-14.4	-8.4	-83.5	435	2	0.4
Medians	**18.4**	**14.2**	**8.4**	**37.4**	**8.9**	**1.7**	**9.4**	**-37.1**	**1,163**	**35**	**3.0**
Heavy equipment											
Terex	27.0	def	0.6	70.6	NM	-25.9	37.5	P-D	814	-19	def
Stewart & Stevenson	20.6	17.6	15.2	14.8	23.4	0.3	29.1†	1.4	669	32	4.8
Federal Signal	19.3	20.3	18.1	8.4	10.8	5.0	25.7	3.0	457	30	6.6
Nacco Industries	17.6	2.8	5.0	64.1	21.6	-0.8	6.8	-80.7	1,369	10	0.7
Tenneco	13.9	def	def	66.4	-1.3	-4.3	NM	P-D	13,900	-576	def
Ingersoll-Rand	13.3	9.1	7.9	13.5	7.4	-1.2	21.1	-29.8	3,619	142	3.9
Trinity Industries	11.7	7.6	7.1	50.6	28.4	-1.5	46.6	-13.4	1,265	26	2.1
Deere & Co	10.6	4.5	5.3	41.6	13.7	-7.6	NM	-69.4	7,219	136	1.9
Caterpillar	9.7	def	1.1	43.5	12.6	-8.4	19.8	P-D	10,481	-75	def
Harnischfeger Inds	9.3	11.5	11.3	12.0	28.7	-1.7	60.4†	2.9	1,674	67	4.0
Clark Equipment	6.8	def	def	23.7	10.1	-13.3	NM	P-D	1,263	-55	def
Interlake	6.5	NE	11.0	164.1	NM	-12.0	NM	D-D	723	-13	def
Allied Products	def	def	def	18.6	12.9	-12.7	NM	D-D	452	-21	def
McDermott Intl	def	def	2.3	41.4	NM	26.7	NM	D-D	3,536	-35	def
Medians	**11.1**	**0.6**	**5.1**	**41.5**	**11.7**	**-3.0**	**13.3**	**P-D**	**1,317**	**-2**	**0.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. Z-D: Zero to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Cooper Industries' Robert Cizik
Taking off the kid gloves.

Waste not, earn a lot

GIVEN the depressed capital goods market, Cooper Industries should be in trouble but isn't. Over the last 12 months Cooper's net income jumped 12%, to $382 million. With $6.3 billion in sales and 175 plants worldwide, Houston-based Cooper makes everything from electrical transformers to spark plugs.

Cooper's success is due largely to its chief executive, Robert Cizik, 60. A coal miner's son, Cizik doesn't wear kid gloves when he takes over a company. In 1989, for instance, Cooper spent $800 million to buy Champion Spark Plug, which had brand recognition but was losing out to foreign competition. "They were living in the glory days of the past," says Cizik. So he axed most of management, closed plants in Detroit and Toledo, consolidated operations and saved $50 million.

Cizik is tightfisted but knows when spending will pay off. At the Cooper Oil Tool division plant just outside Houston he replaced 15 old machines that make oil and gas valves with two new computer-controlled machines. They cost $1.5 million but freed up 3,000 square feet and cut production time from 16 weeks to 2.

Cooper also asked a team of plant engineers, marketers and accountants to work with suppliers and customers to improve valves made in the factory. It turned out that a valve one-third lighter would do the job. The task force cut overall manufacturing costs 35%, tripled profit margins on the new valve and got it from drawing board to customer in nine months instead of the usual three years.

Cizik is also trying to control medical costs. Last fall he got United Steelworkers in Canonsburg, Pa. to accept a cheaper health care plan and agree to phase out retiree health benefits. "The problem of retirees is too big for corporate America to take on its shoulders." He will start this year negotiating with Champion's United Auto Workers, from whom he's likely to seek the same concessions.

With a five-year average earnings-per-share growth rate of 16%, why is Cizik so eager to cut every extra penny? In Cizik's words, "To get more bang for the buck." –B.McM.

tal battle for survival. Industrywide sales dropped 14% in the first nine months last year, prompting a rash of price-cutting—and red ink. Tenneco's J I Case unit will probably have operating losses of over $500 million for 1991.

All this spilled over to the machine tool business. Cincinnati Milacron reported an 8% decline in latest 12-month sales and a $104 million net loss for the first nine months of 1991. Industrywide, new orders for electrical equipment were down slightly. But Hubbell's latest 12-month profits were up 5%.

Who wasn't hurting as much last year? Companies that make energy- and petrochemical-related capital goods. Record orders for valves and actuators helped Keystone International post a sales gain of nearly 12% for the lastest 12 months. Although the Gulf war stimulated an increase in worldwide drilling activity, softening oil prices have made this a short-lived domestic recovery for oilfield equipment.

What's ahead? In time, the Clean Air Act should spur capital spending, especially among U.S. coal-burning utilities and refiners, increasing demand for pumps, valves and compressors. And huge petrochemical refinery projects planned for Saudi Arabia and the Far East should also help the capital-goods makers. ■

Capital goods	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Other industrial equipment											
Tyco Laboratories	23.1	13.3	11.6	39.6	29.6	33.7	28.6	-25.6	3,118	104	3.3
EG&G	22.2	21.4	20.7	0.5	15.5	16.6	7.1	11.5	2,663	79	3.0
Illinois Tool Works	21.4	16.3	12.7	12.5	32.4	7.6	35.7	-1.2	2,612	179	6.9
Dover	20.1	17.0	16.0	2.1	10.6	1.3	15.8	-11.9	2,212	134	6.1
Crane	20.0	16.0	12.4	20.5	9.6	-9.1	31.4	-13.4	1,320	51	3.9
Ametek	20.0	18.0	10.7	46.4	15.2	8.9	5.0	-1.2	701	36	5.1
Keystone Intl	19.5	17.3	15.4	18.2	17.3	11.5	22.2	-9.2	479	40	8.4
Applied Power	16.4	6.6	5.4	52.7	36.0	-2.6	-17.4†	-59.5	434	8	1.8
Donaldson	15.1	15.4	14.9	7.0	11.5	5.9	14.5	0.8	458	23	5.0
Stanley Works	15.1	12.0	9.6	21.9	10.9	-1.8	8.2	-12.7	1,951	96	4.9
Pentair	13.5	11.3	8.7	34.4	18.2	0.1	10.1	26.7	1,167	38	3.3
Kennametal	13.1	7.5	6.9	26.9	13.4	1.7	6.2	-45.8	616	18	2.9
Cooper Industries	13.1	11.7	9.6	30.0	15.1	4.6	16.2	8.4	6,277	382	6.1
Thomas Industries	12.7	3.3	4.3	40.1	9.7	-11.1	NM	-71.0	418	5	1.1
Great American Mgmt	11.3	15.1	8.2	68.0	26.1	-38.8	NM	-7.4	1,281	38	2.9
Goulds Pumps	10.9	15.2	11.9	16.2	11.8	6.3	9.1	500.0+	571	32	5.5
Lincoln Electric	10.6	def	def	28.9	18.4	9.3	NM	P-D	806	-3	def
Parker Hannifin	10.4	5.2	5.3	28.5	7.8	-3.9	-4.8	-54.4	2,399	52	2.2
Commercial Intertech	10.4	9.0	8.9	13.9	18.3	1.5	12.1	60.7	448	21	4.6
Trinova	9.9	def	0.6	22.9	3.2	-10.2	-13.1	P-D	1,764	-5	def
Tecumseh Products	9.2	4.9	4.7	3.2	13.0	-14.3	-15.2	8.5	1,193	34	2.8
Briggs & Stratton	8.8	13.3	10.1	18.3	5.6	-4.7	3.7	-6.9	949	37	3.9
Bearings	8.5	3.2	3.1	0.0	10.6	15.6	23.4	-52.3	810	4	0.5
General Signal	4.5	1.7	3.3	38.6	NM	-7.9	NM	-71.6	1,618	8	0.5
Timken	4.1	0.3	0.6	10.4	10.7	6.4	56.1†	-92.1	1,694	3	0.2
Cincinnati Milacron	def	def	def	41.4	2.1	-7.7	NM	P-D	779	-136	def
Sudbury	def	NE	def	102.9	11.5	-18.7	NM	Z-D	358	-68	def
Eagle-Picher Inds	def	NE	def	36.2	2.6	-11.4	NM	P-D	620	-16	def
Medians	**12.0**	**10.1**	**8.5**	**24.9**	**11.7**	**0.7**	**6.6**	**-12.3**	**1,058**	**33**	**2.9**
Industry medians	**13.2**	**7.5**	**7.2**	**28.9**	**11.3**	**-0.8**	**7.1**	**-29.8**	**1,193**	**30**	**2.8**
All-industry medians	**13.2**	**9.9**	**7.6**	**32.4**	**11.3**	**3.7**	**4.5**	**-5.9**	**1,436**	**40**	**2.9**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. Z-D: Zero to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Chemical exports increased, but a weak economy and overcapacity hurt prices and profits. The group should do better this year.

By Randall Lane

Now paying for the good years it had in the 1980s, the chemical industry is in somewhat of a bind. Past profits were poured into expansion, and that spawned the current overcapacity in most commodity petrochemicals--notably ethylene, styrene and polystyrene. Couple that with lagging demand thanks to the slow economy, and it's hardly surprising that industry earnings slumped an estimated 15% in the past year.

Particularly hard hit have been the commodity producers, including Dow Chemical and Union Carbide, which specialize in building-block petrochemicals. These companies flourished a few years ago, when organic chemicals were in short supply.

But no matter how well the economy performs this year, the Dow Chemicals and Union Carbides are still likely to feel the pinch from excess supply. More diversified chemical companies, such as Goodrich, Air Products & Chemicals and Monsanto *(see box, opposite)*, are likely to perform a little better.

Specialty chemical firms have benefited from lower feedstock prices and turned in stronger performances. Betz Laboratories, Great Lakes and Cabot all reported strong earnings last year.

Another bright spot this past year was chemical exports, which jumped more than 10% and raised the U.S. chemical trade surplus to nearly $20 billion. But several Asian facilities are scheduled to start operations in the next few

Chemicals	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Diversified											
Union Carbide	28.1	1.9	3.3	40.2	NM	-4.2	-13.2*	-85.2	7,234	56	0.8
Dow Chemical	27.2	13.6	10.8	33.8	13.1	2.7	23.6	-15.2	19,391	1,308	6.8
Valspar	23.1	19.2	14.9	24.7	11.6	7.1	19.2	-2.6	610	25	4.1
A Schulman	20.8	19.4	18.1	3.6	13.4	8.5	22.5	19.9	736	42	5.8
Imperial Chemical Inds	17.4	7.5	5.6	21.5	10.3	-4.7	10.9	-46.4	22,576	775	3.4
Rohm & Haas	17.1	12.0	8.1	28.2	7.4	0.5	9.6	-11.1	2,782	170	6.1
Univar	15.7	0.7	1.6	43.2	22.1	1.9	27.1	-95.3	1,417	1	0.1
Rhone-Poulenc	15.2	0.5	3.5	38.3	15.2	13.1	NM	-93.0	15,096	165	1.1
El du Pont de Nemours	15.1	13.0	8.9	24.3	7.1	6.0	17.7	-8.5	39,656	2,111	5.3
Monsanto	15.1	6.4	5.3	27.4	6.5	1.6	15.3*	-55.4	8,940	261	2.9
Olin	14.1	def	0.5	34.8	9.9	-9.1	9.9*	P-D	2,321	-15	def
BF Goodrich	12.7	2.5	2.9	21.5	-4.0	0.4	74.5*	-77.5	2,440	40	1.7
Quantum Chemical	12.3	NE	1.4	92.2	8.4	5.6	NM	P-D	2,623	-96	def
Hercules	8.9	3.3	3.0	21.7	4.7	-3.6	NM	D-P	3,040	63	2.1
First Mississippi	6.8	3.3	3.8	32.6	17.0	2.2	-36.0*	-17.9	541	6	1.2
FMC	NE	109.1	17.7	76.1	3.2	8.6	27.7	5.4	3,872	170	4.4
Medians	**15.2**	**4.8**	**4.6**	**30.4**	**9.1**	**2.1**	**13.1**	**-32.2**	**2,911**	**60**	**2.5**
Specialized											
Vigoro	61.5	44.4	13.9	43.1	15.9	4.7	31.5	44.5	581	28	4.8
Sterling Chemicals	59.9*	34.0	19.2	31.9	NM	7.3	-20.3*	-37.4	543	37	6.8
Georgia Gulf	59.8	NE	36.3	225.0	13.4	-6.5	38.5	-54.7	885	68	7.7
Freeport-McMoRan	43.8	14.3	8.4	54.4	17.7	-4.2	37.7	-76.2	1,598	106	6.6
Wellman	34.1	11.1	9.2	40.3	42.6*	2.5	39.5*	-34.1	811	44	5.4

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Do the right thing

Monsanto's Richard Mahoney **intelligent diversification has yielded a better company.**

MONSANTO Chairman Richard Mahoney chooses his markets carefully: The company will compete only where its product is the leader, or a close second. A division that's not up to snuff is sold and resources are focused elsewhere.

Tough standards. But they have served St. Louis-based Monsanto well over the years. Between 1986 and 1990, 18 units were sold, one was merged and another shut down, while three new businesses were added. During that same period sales went up 31%, to $9 billion, and earnings grew 26%, to $546 million. (Latest 12-month profits are only $261 million because of a restructuring charge mainly in the company's chemical operations, in which 2,500 employees were laid off. Several small plants will close.)

William Young, a chemicals analyst with Donaldson, Lufkin & Jenrette, estimates that Monsanto will have sales of $8.9 billion and earn $5 per share in 1991, and $6 a share in 1992.

Says Mahoney, "Efficiency isn't doing with less. Efficiency is doing smarter. Picking the right things to do and then doing them very well."

Mahoney has been picking the right things since the early 1980s, when Monsanto decided to change course. It sold its petrochemical unit, one of its key assets, to Du Pont in 1981. Paper, chemical and polystyrene divisions soon followed. In came higher-margin businesses such as Searle, the pharmaceutical maker. The company also acquired a line of agricultural products.

Three of Monsanto's top-selling products--NutraSweet artificial sweetener, Roundup herbicide and hypertension drug Calan—gained market dominance through patent protection.

Isn't that tempting to take advantage of? "You dare not violate the customer's confidence," says Mahoney. Long-term sales after patents expire depend on consumer loyalty, so there's no room for overly aggressive pricing, he adds. Instead, Monsanto keeps on trying to reduce manufacturing costs and other expenses. This way, when others join the market, Monsanto is already well positioned as a low-cost provider.

That strategy will be tested in the next few years. Calan is already off patent and NutraSweet and Roundup will lose their monopolies over the next two years. But Mahoney has several new products—including an insomnia treatment drug and a crabgrass killer—already in the pipeline. –R.L.

years—suggesting that the U.S. trade surplus may have peaked.

Despite the industry's woes, chemical company stocks outpaced the market for most of the year, beating the S&P 500 by about three percentage points through October. Why? John Garcia, a chemicals analyst at Wertheim Schroder, notes that the sector is heavily dependent on automobiles and housing starts; investors were betting that the economy would perk up. But the group stumbled in November as wavering confidence about the recovery set in.

Still, producers remain optimistic about this year. A survey by the Chemical Manufacturers Association showed expected sales growth of 5%, with earnings up as much as 15% industrywide. Assuming, of course, there is a meaningful economic recovery.

Chemicals

	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Valhi	30.9	11.9	6.4	44.9	35.8	-40.0	38.4	-50.8	1,011	36	3.5
Sigma-Aldrich	26.0	20.5	17.6	12.9	20.0	15.2	21.7	10.5	566	75	13.3
Loctite	24.6	21.9	20.3	9.9	18.0	5.5	29.6	7.8	563	70	12.4
Nalco Chemical	24.3	29.3	13.1	26.1	12.6	12.0	15.8	8.8	1,310	136	10.4
Great Lakes Chemical	24.0	20.7	25.3	8.7	32.3	27.1	40.1	13.2	1,275	154	12.1
Ethyl	23.4	21.5	13.9	37.5	13.2	4.4	22.9	-1.0	2,592	225	8.7
Betz Laboratories	22.7	23.3	21.1	0.0	13.7	13.9	13.9	17.5	652	73	11.2
Lubrizol	20.9	16.8	15.2	6.4	9.2	8.4	24.3	-26.4	1,477	123	8.4
Intl Flavors & Frags	20.1	18.6	18.2	0.0	13.4	8.4	16.9	9.8	1,011	167	16.5
NCH	19.7	18.7	18.3	4.8	12.9	5.1	25.6	8.1	677	43	6.3
Sherwin-Williams	18.6	16.3	13.4	9.4	3.4	12.4	9.4	3.2	2,505	127	5.1
Pall	18.6	18.1	15.8	9.2	14.4	16.4	11.6	20.3	657	80	12.2
RPM	17.7	17.2	11.5	40.8	14.8	5.0	14.0	13.7	496	31	6.2
Chemed	16.3	31.0	24.4	13.0	12.5	-31.5	-9.6	155.1	408	50	12.4
Air Prods & Chems	16.1	14.7	9.6	29.6	8.8	1.3	10.2	7.2	2,931	249	8.5
Morton International	14.5	13.0	11.1	17.6	13.5	11.1	7.7	-3.7	1,929	139	7.2
Akzo	13.9*	8.2	7.6	18.0	9.4	-8.8	NM	-25.1	9,316	391	4.2
Dexter	13.7	3.8	5.1	25.6	7.9	5.4	7.8	-68.0	932	13	1.4
IMC Fertilizer Group	13.7†	12.3	9.1	45.1	6.3	0.3	NM	20.1	1,124	93	8.3
Cabot	13.6	23.5	12.6	38.3	3.6	-11.4	NM	112.5	1,482	127	8.6
MA Hanna	13.0	1.7	3.4	52.3	54.9	-0.6	NM	-80.7	1,112	11	1.0
HB Fuller	12.3	13.4	10.9	26.0	11.9	7.3	4.5	50.3	835	27	3.2
Ferro	12.1	def	def	13.4	12.4	-3.6	17.0	P-D	1,073	-9	def
WR Grace	11.3	11.1	8.2	49.4	9.1	6.0	8.0†	-0.4	6,918	212	3.1
Witco	10.7	10.5	8.4	25.0	3.4	3.5	NM	108.0	1,654	65	3.9
Grow Group	def	def	def	59.7	NM	0.9	NM	D-D	418	-12	def
Inspiration Resource	def	def	def	42.9	5.5	-23.8	NM	P-D	1,063	-269	def
Intl Specialty Prods	NA	39.9	12.6	76.5	13.4*	4.6	NA	NA	528	62	11.7
Lyondell Petrochem	NA	500.0+	41.0	77.0	12.8	9.1	NA	-21.2	6,364	274	4.3
NL Industries	NA	def	3.1	82.4	10.4	-5.1	44.3	P-D	872	-7	def
Rexene	NA	NE	2.7	122.4	8.2	-7.0	NA	D-D	477	-34	def
Medians	18.6	15.5	12.1	30.8	12.7	4.6	13.9	-0.4	1,011	69	6.5
Industry medians	16.7	13.0	9.4	30.8	12.2	4.0	13.9	-11.1	1,200	67	4.9
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Computers are becoming little more than commodities. Who will survive? Companies with the best software, support—and prices.

By Julie Pitta

Big computer makers found out last year that customers were no longer willing to pay a premium for proprietary products that offered little, if any, advantage over other computers on the market. These manufacturers slashed costs—but not fast enough—to adjust to shrinking profit margins.

IBM said another 20,000 jobs would go in 1992, doubling the number of positions eliminated last year. Its chairman, John Akers, began reorganizing the company into a group of smaller—and, it is hoped, more agile—business units. IBM was not alone in cutting workers. Digital Equipment has reduced its work force by about 11,000 employees since September 1989; Apple eliminated 1,000 jobs in 1991; and Compaq furloughed 1,700 people. Compaq posted a $70 million loss for the third quarter—its first ever—forcing the resignation of Joseph (Rod) Canion, its cofounder and chief executive.

Meanwhile, more nimble firms like Sun Microsystems Inc., AST Research and Dell Computer flourished in a price-sensitive marketplace. Dell had an early jump as a direct marketer of IBM/DOS-compatible PCs. Dell posted profits of $44 million on sales of $772 million over the last 12 months. But Zeos International, private Compuadd, Gateway 2000 and other aggressive firms are in pursuit

A superstar that almost died in infancy

"SIMPLICITY" is the key ingredient for efficiency. So says Raymond Noorda, 68, chairman and chief executive of Provo, Utah-based Novell Inc. When Noorda arrived in 1983, Novell engineers had been struggling to develop a hardware and software system for interlinking personal computers. But the plan was far too ambitious: Nearly all Novell's venture money was spent to design the computer system, leaving little funding for marketing. The tiny outfit almost went under.

That's where Noorda came in. A turnaround veteran who had previously put in stints at other electronics firms, Noorda moved quickly. He started by getting rid of Novell's custom-made PCs and opted instead to resell Korean-made clones.

More important, Noorda presciently decided to phase Novell completely out of hardware: "It was quite clear to me that once [PC manufacturers] standardized, they would drive each other crazy trying to bring down costs."

Novell's engineers had created a promising software program to link PCs into local-area networks. But computer resellers were reluctant to sell Novell's software without matching hardware. "We had to convince them that it was better for them to buy [hardware] from the source because they would get a better price. It was a five-year process," Noorda explains.

Noorda's patience paid off. Novell's software and hardware revenues were almost evenly split four years ago. Now software accounts for 90% of Novell's revenues. The company is unquestionably the industry leader in computer networking software. Over the last 12 months its Netware racked up $530 million in sales.

What about the competition? IBM and Microsoft, together with 3Com Corp., spent millions developing a competing product called LAN Manager, but it hasn't been a booming success.

By getting out of hardware, Noorda left Novell with only two big fixed costs: programmers and their computers. Once a new software package is created, thousands of copies of the program can be duplicated with only a nominal cost per package.

Shareholders who bought into Novell in 1985, when venture capital firm Safeguard Scientifics took it public, are eternally grateful: A $10,000 initial investment is now worth $750,000. –J.P.

Raymond Noorda, Novell chairman and chief executive
His future was in software, not hardware.

Computers & communications

Company	Profitability: Return on equity 5-year average %	Profitability: Return on equity latest 12 mos %	Profitability: Return on capital latest 12 mos %	Profitability: Debt/capital %	Growth: Sales 5-year average %	Growth: Sales latest 12 mos %	Growth: Earnings per share 5-year average %	Growth: Earnings per share latest 12 mos %	Sales latest 12 mos $mil	Net income latest 12 mos $mil	Profit margin latest 12 mos %
Major systems											
Compaq Computer	41.1	10.3	9.6	3.4	53.2	0.4	63.7	-50.9	3,399	199	5.9
Dell Computer	32.5*	33.2	38.4	6.8	75.0	57.9	57.9	92.0	772	44	5.7
Apple Computer	32.2	20.6	15.9	0.0	27.4	13.5	20.3	-31.6	6,309	310	4.9
Stratus Computer	23.0	18.6	19.0	3.2	38.8	14.5	32.8	27.0	439	46	10.4
Cray Research	21.7	13.3	12.5	13.8	14.3	-9.0	4.8	-30.1	801	87	10.8
AST Research	21.0	29.1	24.4	8.2	32.6	34.9	20.0	35.7	749	70	9.3
Amdahl	18.5	6.1	5.5	3.3	22.5	-8.6	46.8	-49.0	1,957	85	4.3
Sun Microsystems	18.4	16.5	15.0	22.5	70.8	26.7	43.3	32.9	3,299	191	5.8
Hewlett-Packard	14.3	11.6	11.3	2.4	16.1	9.5	7.9	-1.3	14,494	755	5.2
Silicon Graphics	14.3	8.3	8.6	5.3	68.3	30.4	65.5	-28.8	586	33	5.6
IBM	13.7	7.6	6.4	23.4	6.8	-1.0	NM	-21.0	65,771	3,279	5.0
Intergraph	12.9	10.6	10.5	2.9	14.4	20.6	2.4	14.3	1,187	74	6.2
Tandem Computers	9.3	2.8	2.8	6.5	20.7	3.0	-9.7	-70.8	1,922	35	1.8
Everex Systems	7.1	def	def	7.7	44.7	-2.6	NM	P-D	425	-48	def
Tandon	6.7	def	def	7.6	12.2	16.2	NM	P-D	463	-19	def
SCI Systems	6.6	0.8	3.3	54.2	21.8	-8.5	-30.8	-90.3	1,079	2	0.2
Itel	6.3	def	6.3	77.4	54.6	-15.8	NM	P-D	1,728	29	1.7
Harris Corp	6.2	1.5	2.9	34.4	8.3	-1.4	-13.5	-87.3	3,007	15	0.5
Digital Equipment	4.5	def	def	1.9	12.4	9.3	NM	D-D	14,111	-615	def
Raychem	0.2	def	def	24.9	8.1	8.3	NM	D-D	1,261	-19	def
Teradyne	def	3.1	4.0	9.5	9.3	10.7	NM	D-P	499	9	1.8
Data General	def	19.8	19.9	25.0	-0.9	1.0	NM	D-P	1,229	86	7.0
Unisys	def	def	def	59.0	13.5	-9.6	NM	D-D	9,168	-1,562	def
Control Data	def	def	def	28.1	-11.3	-13.1	NM	D-D	1,552	-17	def
Wang Laboratories	def	def	def	82.9	-4.5	-19.0	NM	D-D	1,988	-398	def
Datapoint	def	NE	7.9	50.7	-4.3	-0.7	NM	D-D	265	5	2.0
Medians	8.2	4.6	6.3	8.8	15.3	2.0	-22.2	-50.0	1,407	34	3.2
Peripherals & equipment											
Conner Peripherals	47.8*	20.6	19.5	33.8	132.0†	39.8	80.8†	7.9	1,600	127	7.9
Tech Data	26.9	19.0	16.8	20.2	65.2	35.2	25.7	292.5	569	10	1.8
Quantum	26.9	21.8	24.1	0.0	48.8	70.9	NM	-3.9	1,019	58	5.7
Merisel	22.0	4.7	4.8	53.2	42.0	44.1	NM	-21.4	1,475	6	0.4
Intel	20.7	21.2	20.0	7.4	27.1	22.5	26.2†	25.3	4,619	794	17.2
AMP	19.6	14.7	13.8	2.7	13.2	4.6	21.6	-8.8	3,082	263	8.5
Micron Technology	18.7	1.0	1.9	11.6	54.0	27.6	NM	0.0	425	5	1.2
Vishay Intertech	18.5	13.3	9.9	38.1	65.4	2.2	21.0	-3.0	450	24	5.4
Thomas & Betts	17.0	14.3	12.9	14.7	14.3	-3.3	6.9	5.0	573	50	8.7
Seagate Technology	15.8	0.1	2.3	32.2	39.5	0.1	NM	-99.4	2,667	1	0.0
Marshall Industries	15.8	10.9	9.8	17.9	20.4	2.0	40.5	-17.6	574	16	2.9
Molex	15.0	12.2	11.8	1.8	18.2	16.5	14.2	-1.9	724	62	8.6
Applied Materials	14.3	8.4	8.5	28.1	37.4	12.6	NM	-24.0	639	26	4.1
Motorola	13.2	10.2	9.0	14.6	15.8	6.0	41.9	-17.3	11,236	437	3.9
Dynatech	13.2	8.3	7.1	34.1	13.0	1.4	-6.4	-18.5	477	12	2.6
Storage Technology	12.4	16.0	15.1	21.4	11.5	10.4	-13.7*	26.5	1,216	89	7.4
Texas Instruments	10.5	def	def	28.8	7.0	4.0	NM	P-D	6,791	-380	def
Wyle Laboratories	9.5	9.3	8.1	27.8	11.3	0.7	27.3*	-18.7	445	10	2.3
Avnet	7.5	7.0	6.5	19.9	4.3	-2.1	23.7	-4.3	1,715	55	3.2
Varian Associates	7.1	14.2	12.1	13.3	9.2	8.9	NM	D-P	1,378	58	4.2
3Com	6.4	def	def	0.1	35.4	-13.1	NM	P-D	379	-31	def
Analog Devices	5.2	def	def	6.8	9.3	18.9	NM	P-D	544	-13	def
Bell Industries	4.8	def	1.2	35.9	5.0	-0.3	NM	P-D	397	-1	def
Maxtor	0.5	def	def	48.9	53.4	48.6	NM	P-D	969	-74	def
Tektronix	0.1	12.0	10.1	16.0	NM	-5.6	NM	D-P	1,317	49	3.7
Arrow Electronics	def	def	5.8	53.8	16.2	-4.2	NM	P-D	933	3	0.3
Applied Magnetics	def	def	def	22.5	25.9	23.6	NM	D-D	455	-18	def
LSI Logic	def	def	def	29.2	37.7	17.7	NM	P-D	718	-38	def
M/A-Com	def	28.5	19.4	40.9	-6.8	2.0	NM	D-P	382	31	8.1
Western Digital	def	def	def	58.6	29.7	-15.6	NM	P-D	930	-174	def

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Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

and are selling even cheaper clone computers.

The recent U.S.-Japan chip agreement—in which the Japanese allow U.S. firms to sell more chips in Japan in return for the U.S.' dropping tariffs on some Japanese electronics—was supposed to have helped the sagging fortunes of U.S. chipmakers. So far it hasn't.

Intel Corp.—which once had a hammerlock on the IBM-DOS-compatible microprocessor market—was among the few U.S. chip companies to have a strong year in 1991. Intel posted profits of $794 million on revenues of $4.6 billion over the last 12 months. But even once-invincible Intel is facing a growing challenge from microprocessors made by Advanced Micro Devices, Chips & Technologies and Cyrix.

Software companies generally fared better than hardware companies. Microsoft, which still dominates the fast-growing PC software market, was hiring new programmers. But Lotus Development, facing declining profits, announced late last year that it will fire 300 to 400 workers.

Cellular telecommunications became particularly hot in 1991, with regional Bell operating companies staking out territories. Southwestern Bell, which bought cellular properties in Chicago, Boston and Washington a few years ago (before prices escalated), had a head start. ■

Computers & communications	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Advanced Micro	def	def	def	17.7	7.1	4.4	NM	D-D	1,126	-4	def
Atari	def	22.3	16.6	26.6	21.2	-27.1	NM	333.3	314	23	7.2
Natl Semiconductor	def	def	def	3.6	NM	-2.9	NM	D-D	1,670	-154	def
Sprague Technologies	def	def	def	13.8	-7.9	-9.3	NM	D-D	289	-45	def
Medians	10.0	8.3	7.6	20.8	17.2	4.2	NM	-18.1	827	11	2.4
Software											
Microsoft	45.8	41.8	45.8	0.0	54.2	55.9	55.3	57.6	2,055	519	25.3
Novell	38.8	35.0	36.6	0.3	71.3	26.8	61.6	77.6	593	144	24.4
Computer Associates	27.0	14.5	13.1	2.0	40.2	6.9	33.5	-4.4	1,364	160	11.8
Lotus Development	26.2	1.5	3.8	28.1	24.8	18.2	NM	-94.4	766	6	0.8
Oracle Systems	26.0	5.9	4.9	4.0	82.9	9.6	NM	-54.5	1,058	19	1.8
MAI Systems	def	def	def	79.3	10.9	-44.6	NM	P-D	362	-118	def
Medians	26.6	10.2	9.0	3.0	47.2	13.9	NM	-29.5	912	82	6.8
Telecommunications											
MCI Communications	24.9	25.5	11.9	52.1	24.1	12.0	59.7†	74.1	8,274	534	6.5
Centel	19.9	14.0	7.9	44.9	-4.0	-0.3	NM	-45.8	1,166	151	13.0
Alltel	17.7	19.1	10.9	41.4	19.8	8.7	14.0	8.0	1,694	196	11.6
Cincinnati Bell	16.9	7.8	5.9	35.3	18.1	14.9	15.1	-44.3	1,099	52	4.7
United Telecom	16.7	14.3	8.0	48.2	26.7	6.6	NM	-1.0	8,732	340	3.9
GTE	16.2	14.3	7.2	43.9	3.7	13.3	7.5*	-19.6	20,693	1,478	7.1
Corning	16.2	15.4	12.6	23.1	10.8	15.4	19.1	4.2	3,206	298	9.3
Ameritech	15.7	15.0	9.1	27.5	3.3	1.9	5.3	-2.7	10,770	1,253	11.6
Northern Telecom	14.1	14.7	13.1	23.9	10.2	16.2	5.8	13.4	7,757	495	6.4
US West	14.1	12.2	7.3	34.1	5.2	3.5	6.0	-5.2	10,206	1,180	11.6
Pacific Telesis	14.0	13.3	7.9	30.3	2.6	1.2	4.2	-7.3	9,870	1,053	10.7
Bell Atlantic	13.8	14.0	7.9	33.8	5.6	1.7	2.6	20.0	12,286	1,327	10.8
So New Eng Telecom	13.7	10.5	6.5	32.1	4.7	-0.4	4.9	-6.7	1,629	128	7.9
BellSouth	13.7	10.9	7.4	27.7	6.5	0.6	1.6	-15.5	14,401	1,480	10.3
American Tel & Tel	13.1	4.1	3.7	29.4	1.6	16.5	34.0	-78.2	42,670	585	1.4
Southwestern Bell	12.9	12.3	7.6	28.1	3.1	3.0	2.0	-1.6	9,256	1,108	12.0
Rochester Telephone	12.8	14.7	9.2	37.2	9.2	12.9	NM	31.8	664	70	10.5
Nynex	11.4	9.5	6.4	34.4	5.5	-0.7	-4.8	7.1	13,427	913	6.8
Scientific-Atlanta	10.6	def	def	0.7	2.8	-17.5	NM	P-D	493	-2	def
DSC Communications	8.7	def	def	46.9	12.4	1.8	21.2*	P-D	503	-101	def
Comsat	4.1	def	def	40.5	NM	13.2	NM	P-D	498	-9	def
McCaw Cellular	def	def	0.6	63.9	89.1	44.4	NM	P-D	1,286	-375	def
Medians	13.9	12.8	7.5	34.2	5.5	5.0	4.6	-6.0	8,016	418	7.5
Industry medians	13.2	9.4	7.4	25.0	14.3	4.5	-13.6	-19.1	1,223	40	4.0
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

CONSTRUCTION

There could be a construction industry turnaround in 1992. Look for single-family housing to lead the way, with little improvement expected elsewhere.

By Claire Poole

After six consecutive down quarters, newly started construction contracts began inching their way back up to their mid-1990 values in the second quarter of 1991. Despite that improvement, total contracts were down an estimated 6% last year, to $228 billion.

What about 1992? George Christie, chief economist of McGraw-Hill's Construction Information Group, estimates that contracts will rise 10% this year, to $251.5 billion, and another 10% in 1993. How? Through housing. He explains: "Commercial building is about as bad as it is going to get, and it won't improve much in the near future. Publicly financed construction is as good as it can get until new programs are legislated. This means that the outlook for total construction comes down to how much the housing market can deliver."

So far, housing hasn't delivered much. Despite a slight recovery at midyear, the balance of 1991 was disappointing, with single-family starts expected to fall to less than 1 million units—the worst full year since 1982. The West has been the hardest hit, followed by the Midwest and the Northeast. But housing starts actually rose in the South.

This year looks better. Single-family starts should grow 20% in 1992, not quite as good as the typical 30% to 40% in the first year of a recovery. What's happening this time around? Most baby boomers have already bought their first house; those who would like to buy and might otherwise be lured by low mortgage rates are nervous

Construction	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Commercial builders											
Jacobs Engineering	22.4	23.3	24.3	0.0	37.4	17.5	71.0	34.4	1,036	20	2.0
Apogee Enterprises	17.5	13.5	11.8	19.7	22.0	-1.1	15.6	-8.4	596	15	2.5
Granite Construction	16.5*	13.7	13.4	4.7	10.7	1.7	13.6	-1.7	573	20	3.5
Blount	13.5	def	1.9	41.1	-12.3	-6.7	80.3	P-D	620	-3	def
Fluor	13.4	17.8	15.7	6.4	12.3	-1.4	95.5†	14.4	7,044	156	2.2
Butler Manufacturing	11.8	def	0.3	57.1	2.0	-18.2	13.6	P-D	470	-4	def
Foster Wheeler	6.5	8.1	6.4	36.8	3.9	33.1	NM	13.5	1,955	42	2.1
CBI Industries	6.3	8.5	7.6	15.6	7.8	3.2	57.1*	-5.9	1,606	56	3.5
Perini	3.7	def	def	29.4	4.6	-3.9	NM	P-D	975	-4	def
Morrison Knudsen	def	13.4	9.2	32.4	-3.2	6.9	NM	8.3	1,867	39	2.1
Turner Corp	def	def	1.7	41.7	9.8	-17.7	NM	P-D	2,762	-4	def
Guy F Atkinson	def	def	def	3.4	-1.4	-18.3	NM	D-D	718	-22	def
Medians	9.1	8.3	7.0	24.6	6.2	-1.2	13.6	-7.1	1,006	18	2.0
Residential builders											
Kaufman & Broad Home	23.3*	6.2	7.3	40.0	30.5	-15.9	13.0	-74.3	1,278	16	1.3
Ryland Group	21.3	3.8	6.2	92.2	15.0	-12.3	7.7	-72.6	1,206	12	1.0
PHM	12.7	7.7	5.1	40.4	NM	6.0	17.9	-25.9	1,172	25	2.2
Centex	11.3	5.6	5.4	29.1	11.7	-3.6	7.1	-55.1	2,172	28	1.3
Lennar	10.1	6.9	4.0	28.1	10.4	-18.7	6.9	-1.1	322	19	5.9
Skyline	7.2	2.9	2.9	0.0	2.4	-15.9	-10.0	-51.2	313	5	1.4
MDC Holdings	def	def	4.2	63.0	5.6	-25.3	NM	D-D	420	-15	def
US Home	def	def	def	65.9	-6.4	-23.7	NM	D-D	502	-97	def
Medians	10.7	4.7	4.7	40.2	8.0	-15.9	7.0	-63.8	837	14	1.3

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Bill Horns/Sipa

Noel Watson (left) and Joseph Jacobs **Cut staff in half.**

"Faster, better, cheaper"

ONE OF the most tightly run construction companies in the U.S. is Pasadena, Calif.-based Jacobs Engineering Group Inc. It earned $20.4 million on sales of $1 billion in fiscal 1991 (ended Sept. 30)—a 2% net margin, average for the industry. Its return on equity? A staggering 23%, the best in the industry. And there's no long-term debt. For the last two years Business Roundtable has given Jacobs subsidiaries safety awards.

But that's a far cry from the early 1980s, when Jacobs—which designs and builds refineries and other industrial facilities—was just another oilfield-dependent outfit awash in red ink as petroleum prices tanked. Stung by an $8.9 million net loss in 1984, founder Joseph Jacobs became increasingly incensed about rising overhead and a "fat and happy" management. So he came roaring back from retirement (and his second open-heart operation) at age 68, wielding a knife. With the help of Noel Watson, then an executive vice president, Jacobs let go half the staff of 2,200 (including 14 vice presidents) and cut overhead by a third. By 1985 the company was back in the black, earning $2 million. Says Jacobs: "We came out of it determined that we'd never go through this again."

Toward that end, in 1988 Watson embarked on a "faster, better, cheaper" quality-improvement program. Watson's goal: Have everyone from telephone operator to engineer "do the job right the first time." The program established minimum acceptable procedures and standards for every job, split the employees into 80 teams and set up a performance rating system. Result? Costly reworking of drawings and welding has been reduced by 80%. And Jacobs keeps better tabs on client feedback by sending out surveys every quarter throughout a job, not just at completion.

Jacobs has become less dependent on refinery work by diversifying into complex environmental and hazardous waste projects. Nonrefinery projects now make up 80% of the company's revenues.

So with things in good shape, is Jacobs, at 75, winding down? Not much. He has turned over the operating reins to heir-apparent Watson, who is now president, but doesn't plan to retire. He's thinking up new ways for the company to expand—but cautiously. "We have to balance acquisitiveness," he says, "with our capacity to handle it." –C.P.

about the economy and their jobs. Still, southern central states like Texas, Oklahoma and Arkansas are expected to show a gain of 33%. That bodes well for regional players Centex, Ryland and Lennar, which recently began building homes in the Dallas area. The West will be the weakest, unfortunate news for Kaufman & Broad Home and Standard Pacific.

Little improvement is expected for the rest of the construction industry. The glut of office space haunts the commercial sector. Cushman & Wakefield reported 18.5% vacancy rates in central business districts in the third quarter of last year—the third consecutive flat quarter. Expect a 5% drop in office building in 1992, a 4% drop in retail building and a flat year for the hotel and motel sector.

Public works contracts, after five fairly solid years, may show a 4% gain in 1992 if Congress approves the highway and transit bill. That would be good news to companies like Morrison Knudsen, which has a strong transportation division. The Boise-based engineering and construction firm recently snared a plum: Texas' $5.7 billion high-speed-rail contract. Institutional building, including schools, hospitals and prisons, will be all but flat again—the fifth year in a row.

The building materials sector has suffered with the rest of the construction industry. But with housing starts expected to pick up in 1992, materials should follow. The worst may be over for the entire construction industry. ■

Construction

	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Cement & gypsum											
Vulcan Materials	20.7	10.9	9.4	10.0	3.3	-6.3	15.2	-36.8	1,024	74	7.2
Florida Rock Inds	16.8	1.4	2.5	17.3	11.1	-22.2	-4.1	-87.8	314	2	0.8
CalMat	15.9	5.3	4.1	9.0	NM	-18.1	15.9	-76.2	385	17	4.4
Southdown	12.6	def	0.5	31.8	15.2	-9.8	-42.6†	P-D	512	-18	def
Lafarge	11.7	def	def	37.6	12.2	1.2	31.6	P-D	1,621	-26	def
USG	10.4	NE	def	295.0	-6.3	-12.0	NM	P-D	1,748	-206	def
Ameron	9.6	5.4	4.3	39.5	8.9	5.9	3.8	-40.7	468	8	1.6
Holnam	3.8	def	1.0	46.1	16.5	-7.9	NM	D-D	991	-35	def
Dravo	def	def	def	26.8	-20.8	0.3	NM	P-D	294	-16	def
Medians	11.7	def	1.0	31.8	8.9	-7.9	-4.1	P-D	512	-16	-1.6
Other materials											
Waxman Inds	22.3	3.8	7.3	85.3	38.9	-12.9	NM	-76.2	386	1	0.4
Masco	13.8	2.2	3.5	41.1	24.3	-3.8	-4.9	-76.9	3,102	38	1.2
Ply Gem Industries	9.1	0.8	3.8	54.3	27.7	-1.4	NM	-86.4	548	1	0.1
Hughes Supply	7.2	def	0.3	46.5	12.2	-14.8	-13.5	P-D	478	-4	def
Morgan Products	6.0	def	def	38.7	4.9	-15.1	NM	D-D	358	-9	def
Noland	5.4	def	1.7	29.1	2.4	-12.0	-9.7	P-D	389	0	def
Nortek	def	def	def	55.8	10.6	-12.5	NM	D-D	935	-62	def
Robertson-Ceco	def	def	def	48.5	NM	51.0	NM	D-D	797	-48	def
MLX	def	def	def	98.5	43.6	-14.3	NM	D-D	396	-29	def
Owens-Corning	NE	NE	10.6	136.4	-2.6	-10.0	NM	P-D	2,893	-13	def
Eljer Industries	NA	def	def	56.7	8.6	-8.2	NA	P-D	410	-31	def
Manville	NA	2.5	4.7	48.1	3.7	-5.1	NM	-83.0	2,110	39	1.9
Medians	5.7	def	1.0	51.4	9.6	-11.0	NM	P-D	513	-7	-0.6
Industry medians	9.6	0.8	3.5	39.5	8.6	-8.2	-11.7	-87.8	718	1	0.1
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Detroit's crisis: too many competitors, too much capacity, too few buyers.

By Jerry Flint

These are, indeed, the times that try men's souls. Detroit's new cars are better—better looking, better driving, better quality—and they underprice the foreign competition. Detroit also slashed billions of dollars out of its cost structure. All that, in a normal world, would be the basis of prosperity. It's not. In the past 12 months General Motors, Ford and Chrysler had $7 billion in net losses and even greater auto operating losses in North America.

Why? There's simply too much competition—two dozen carmakers operating in the wide-open American market—and too few buyers. Competition alone would make it a struggle in a good market. In this market it's life-threatening. Detroit's big three sold 5 million cars in 1991. Back in 1955—36 years ago—they sold 7 million.

Don't the foreign manufacturers suffer equally? They suffer, but not equally. In their new plants built in the hill country, costs are lower and productivity higher. Those younger, nonunion workers aren't just working smarter, they're working harder. "If a job is given 57 seconds at

Consumer durables	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Automobiles & trucks											
Ford Motor	18.0	def	0.5	66.9	11.3	-7.3	NM	P-D	90,495	-2,301	def
Paccar	16.4	2.6	4.2	35.3	12.7	-17.1	13.8	-82.9	2,416	26	1.1
Volvo	13.3	def	def	12.3	5.2	-13.6	NM	P-D	12,949	-175	def
Chrysler	10.2	def	1.8	59.6	7.7	-4.0	-26.6	D-D	28,742	-604	def
Honda Motor	9.5	7.2	5.9	26.9	12.2	17.1	-6.2	-10.0	31,061	528	1.7
Navistar Intl	7.2	def	def	53.3	1.6	-7.2	NM	D-D	3,614	-105	def
General Motors	6.2	def	def	56.2	3.3	-5.4	NM	D-D	119,327	-4,141	def
Nissan Motor	4.5	2.9	3.3	39.5	9.4	18.4	24.6	-51.7	42,304	346	0.8
Medians	9.9	def	1.2	46.4	8.6	-6.3	NM	P-D	29,902	-140	-1.7
Automotive parts											
Bandag	42.5	32.5	29.2	2.2	12.4	2.6	18.5	3.4	584	77	13.2
Danaher	28.4	4.3	5.2	40.2	21.7	7.1	49.2	-80.7	840	14	1.7
TBC	25.0	22.3	22.3	0.0	5.6	-2.9	52.8	8.6	491	17	3.5
Genuine Parts	21.9	19.7	18.9	1.6	8.4	2.9	13.8	0.8	3,385	204	6.0
Snap-on Tools	20.7	11.5	11.3	1.0	9.7	-4.3	12.9	-31.4	888	74	8.3
PPG Industries	20.2	9.8	7.5	23.9	6.8	-3.3	15.3	-41.6	5,748	271	4.7
Cooper Tire & Rubber	19.8	19.8	15.4	13.5	12.2	7.7	30.4	12.0	960	73	7.6
Eaton	17.2	6.0	5.3	34.6	NM	-6.9	8.5	-58.3	3,391	77	2.3
TRW	16.2	6.9	5.5	32.9	6.6	-2.1	NM	-42.4	7,857	133	1.7
Modine Manufacturing	16.2	14.7	11.3	27.1	8.7	12.1	8.7	10.9	508	30	6.0
Allied-Signal	14.9	def	def	37.7	4.7	-2.3	NM	P-D	11,970	-281	def
SPX	13.3	def	def	34.3	NM	-3.9	NM	P-D	669	-18	def
Barnes Group	12.6	11.2	9.0	33.3	5.0	-0.9	5.1	41.8	537	16	3.1
Dana	12.1	1.5	4.5	49.3	8.4	-9.8	NM	-83.2	4,694	16	0.3
Varity	11.8	def	2.2	57.4	21.9	-9.3	NM	P-D	3,150	-44	def
Goodyear	11.4	def	3.4	52.9	4.2	-2.3	NM	D-D	10,937	-13	def
Carlisle Cos	11.4	def	def	24.8	5.4	2.3	5.0	P-D	615	-8	def
Johnson Controls	9.4	7.8	7.0	19.7	13.6	1.2	NM	2.8	4,559	95	2.1
Masco Industries	9.1	def	2.2	77.5	23.9	-8.1	NM	0.0	1,447	-45	def
Standard Motor Prods	7.8	5.3	5.9	26.4	15.4	6.0	-8.5	17.5	530	9	1.7
Echlin	7.5	6.3	5.8	26.8	13.3	5.3	-6.6	-11.8	1,686	42	2.5
Federal-Mogul	7.1	def	1.4	50.1	5.0	14.2	NM	P-D	1,249	-3	def
Arvin Industries	6.2	4.3	5.4	38.5	14.9	0.2	-17.8	-12.0	1,670	26	1.5
AO Smith	6.0	2.5	4.3	36.1	1.3	-8.5	NM	-11.1	864	9	1.1
Douglas & Lomason	2.4	7.8	5.8	50.5	10.6	-13.5	NM	20.4	369	4	1.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Toyota, it takes 57 seconds to do. In Detroit, if they give you 57 seconds, it really takes only 47, 48, 49 seconds to do," says a manager at Toyota's Kentucky car plant—an ex-Detroit manager. In other words, Toyota's employees work at least 15% faster than Detroit's.

The transplants' younger workers also mean lower medical and pension costs. But in this changing world economy, FORBES sees some of these "foreign" companies really as American manufacturers, and lists them in our tables. And why not? They assembled 1.4 million vehicles in the U.S. last year, have set up design studios in southern California, engineering shops outside Detroit and test tracks in Ohio and Arizona. Yes, sometimes it is a paradox. We call them foreigners at the same time that we call them

Honda: the most efficient "American" carmaker

IS IT FAIR to call a Tokyo-based company American? Well, 14,300 Americans work here for Honda, and half of Honda's annual $35 billion in sales comes from the U.S. Only a third comes from Japan. In Ohio, Honda assembles 450,000 cars a year.

When it comes to efficiency, few, if any, rivals match Honda. But efficiency is more than 450,000 cars divided by 10,000 workers. Efficiency means understanding what the customer wants, getting the most out of employees and making great product. Honda's Accord is America's best-selling car. Honda is always in the top ranks of consumer satisfaction surveys. The old Packard slogan, "Ask the man who owns one," could justifiably be taken up by Honda.

Honda executives get to the top because they've done something. Tadashi Kume, the former president, led the team that developed Honda's famous CVCC engine and the original Accord. Nobuhiko Kawamoto, today's president, was on that CVCC team and led the design group that built Honda's world championship Formula 1 racers.

Honda's Nobuhiko Kawamoto
Give me the Three Joys.

Detroit, too, has been led by engineers, designers and tinkerers like Henry Ford, GM's Ed Cole and Lee Iacocca. For a couple of decades, though, Detroit's managers seemed to rise because they got their M.B.A.s, kept their noses clean and didn't take a chance. Fortunately, those days seem over.

Will Honda falter in the 1990s as agile competitors give it the Japanese treatment—imitating and underpricing? Profits, $541 million last fiscal year (Mar. 31), are below their mid-1980s peak. Even more important, the pool of cheap money in Japan that fueled Honda's enormous technological charge is now dry.

But then there's "the Honda way," a seeming blend of Japanese and American cultures—Japanese-type talk, American-type action—that provides Honda's road map. President Kawamoto talks about the company's core philosophy, the Three Joys. "The joy to buy our products, sell our products and produce our products." Is this just Japanese corn? "Philosophy without action is worthless," says Kawamoto. Take the new Civic hatchback—a $10,000 automobile that the automotive press has compared favorably with much more expensive cars.

Despite all this, is FORBES premature to call Honda the most efficient American automaker? Maybe we are. But we think in terms of a global economy. Germans consider Opel a German company, not a Detroit-run GM subsidiary. Opel is as German as wurst. The day could come when Honda is considered as American as, well, baseball and apple pie. –J.F.

American. Indeed, FORBES considers Honda the most efficient of the American carmakers.

The auto industry isn't alone in its woes. The entire consumer durables group—appliances, home furnishings, recreation equipment—is hurting. An exception: Rubbermaid continues to report impressive sales and profit gains and a 20% return on equity. What does it sell? Plastic: plastic trash cans, plastic toys, plastic lunchboxes.

But most consumer durables manufacturers, like the car companies, await the upturn. The projected recovery is now pushed forward to spring 1992. If it doesn't come, something will have to give. Capacity will be cut again, particularly at GM. Chrysler's chances for survival will narrow. A worried Washington will look harder at imports.

When the recovery does come, the payoff resulting from improved product and cost-cutting will show immediately in profits. To borrow again from Tom Paine, the harder the conflict, the more glorious the triumph.

Consumer durables	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Standard Products	1.6	def	def	50.2	7.9	2.0	NM	P-D	605	-43	def
Allen Group	0.2	def	1.4	37.6	-3.2	-25.8	NM	P-D	271	-3	def
Cummins Engine	def	def	def	31.9	11.6	0.6	NM	D-D	3,439	-188	def
Fruehauf Trailer	NA	0.8	2.9	87.6	-10.8*	-21.9	NA	NA	511	1	0.1
Medians	**12.0**	**4.3**	**5.3**	**34.3**	**8.4**	**-2.1**	**NM**	**-36.5**	**960**	**14**	**1.5**
Appliances											
Maytag	21.4	6.7	6.2	40.9	13.9	-5.1	-6.2	-42.9	2,970	71	2.4
Toro	14.3	5.5	6.2	46.1	11.9	-6.0	-6.4	-8.3	699	9	1.3
Whirlpool	9.9	5.3	5.6	37.3	14.1	1.6	-13.3	-56.9	6,683	76	1.1
Pittway	9.4	5.5	5.3	12.2	10.9	4.9	-6.5	-21.7	972	22	2.2
Sony	8.1	7.7	7.1	30.9	31.1	27.9	12.4	15.0	26,324	830	3.2
Black & Decker	7.9	3.0	6.4	71.8	22.2	9.8	NM	-67.4	4,622	28	0.6
Harman International	6.7	def	def	61.6	20.2	3.7	NM	P-D	591	-22	def
Philips Electronics	def	def	def	51.5	7.6	-1.2	NM	P-D	31,457	-2,845	def
Emerson Radio	def	def	def	82.8	6.1	-1.4	NM	D-D	801	-83	def
Zenith Electronics	def	def	def	33.1	NM	-11.9	NM	D-D	1,300	-78	def
Medians	**8.0**	**4.2**	**5.5**	**43.5**	**12.9**	**0.2**	**NM**	**-62.2**	**2,135**	**16**	**0.9**
Home furnishings											
Rubbermaid	22.6	20.4	19.0	3.3	18.3	12.1	17.9	12.0	1,639	157	9.6
Newell Co	20.4	20.7	18.3	12.5	29.3	0.1	29.8	2.4	1,080	107	9.9
Armstrong World Inds	15.8	4.7	5.3	18.2	8.9	-3.2	9.1	-68.6	2,467	65	2.6
Leggett & Platt	15.7	7.5	6.1	34.8	18.4	1.1	NM	-50.4	1,085	23	2.1
LADD Furniture	15.4	def	def	48.4	15.2	-16.7	NM	P-D	440	-9	def
Kimball International	14.8	10.4	9.6	1.4	7.7	-9.0	5.4	-29.9	549	30	5.4
La-Z-Boy Chair	13.9	11.3	9.6	20.7	12.2	1.2	2.1	-0.7	613	26	4.2
Oneida	12.0	6.4	5.7	37.3	12.4	4.4	-19.0†	-29.5	431	7	1.6
Premark Intl	10.6*	10.7	8.5	34.5	9.3	5.2	-10.9†	104.7	2,795	83	3.0
Springs Industries	6.9	4.6	5.0	33.1	11.8	-0.7	NM	500.0+	1,870	26	1.4
Bassett Furniture Ind	5.7	6.4	6.2	0.0	1.6	-11.7	-20.2	88.8	396	15	3.9
Interco	3.0	NE	3.6	238.4	-12.5	-4.4	NM	D-D	1,419	-129	def
Fieldcrest Cannon	def	def	0.2	60.5	13.4	-5.8	NM	D-D	1,207	-25	def
Medians	**13.9**	**6.4**	**6.1**	**33.1**	**12.2**	**-0.7**	**-19.0**	**-29.5**	**1,085**	**26**	**2.6**
Recreation equipment											
Harley-Davidson	35.6	16.1	14.7	17.8	27.7	2.6	49.4	-30.1	896	33	3.7
Huffy	14.6	15.8	10.7	40.4	14.1	28.2	27.3	-6.4	639	17	2.7
Fleetwood Enterprises	13.1	7.8	8.0	0.0	4.3	-4.3	NM	-22.1	1,452	34	2.4
Brunswick	10.0	def	def	16.6	11.9	-18.6	NM	P-D	2,099	-27	def
Outboard Marine	def	def	def	20.6	NM	-14.1	NM	D-D	984	-86	def
Coachmen Industries	def	def	def	12.7	-4.3	-20.5	NM	D-D	227	-15	def
Winnebago Industries	def	def	def	4.2	-8.6	-33.6	NM	D-D	223	-29	def
Medians	**10.0**	**def**	**def**	**16.6**	**4.3**	**-14.1**	**NM**	**P-D**	**896**	**-15**	**-1.3**
Industry medians	**11.0**	**4.3**	**5.3**	**34.5**	**9.4**	**-2.3**	**NM**	**-51.1**	**1,300**	**15**	**1.1**
All-industry medians	**13.2**	**9.9**	**7.6**	**32.4**	**11.3**	**3.7**	**4.5**	**-5.9**	**1,436**	**40**	**2.9**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Americans weren't buying new houses, automobiles or washing machines, but they did shop for bargains in clothing and other home products.

By Amy Feldman

While many 1991 household budgets didn't have the funds for a new automobile, that didn't stop people from treating themselves to things like fancy razors. "Consumers will continue to pay a premium for certain personal products," says Merrill Lynch analyst Deepak Raj. Gillette Co., for example, garnered some 15% of the U.S. market for its Sensor razors and blades, compared with 9% the prior year, despite charging a 25% premium over its older Atra model. Tambrands Inc. was able to raise prices 14% on its Tampax tampons in 1991 without losing brand loyalty or its estimated 55% market share; rival Playtex, which historically sells at a 25%-plus premium to Tampax, should return to that level with an increase of its own in early 1992.

The picture is different for companies that produce commodity goods like toilet paper, garbage bags or detergents. They're losing once loyal customers to the lower-priced products of private-label manufacturers. Paper producers like James River Corp., maker of Northern bathroom tissue and Brawny paper towels, cut prices this year; that company earned a mere $71 million on revenues of $3.5 billion in the nine months to Sept. 29, 1991. Both Kimberly-Clark Corp. and Procter & Gamble Co. lost market share in the diaper business earlier in the year and have been heavily promoting their new diapers.

The apparel downturn began in mid-1989 and bot-

Consumer nondurables	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Personal products											
First Brands	37.7*	20.5	12.5	55.5	6.7*	-8.3	NM	-9.0	1,008	44	4.3
Gillette	33.5	43.9	22.5	37.6	12.1	10.3	19.6	29.4	4,584	420	9.2
Stanhome	28.6	21.4	22.1	0.5	15.2	8.5	24.2	-6.1	707	47	6.6
Johnson & Johnson	27.7	28.4	23.2	17.3	11.8	10.9	23.9	27.5	12,093	1,419	11.7
Tambrands	23.4	37.7	35.3	0.9	7.8	3.7	10.4	318.5	638	93	14.6
Colgate-Palmolive	22.6	5.7	5.7	29.2	2.9	8.5	29.6	-68.9	5,964	111	1.9
Kimberly-Clark	21.2	21.3	14.3	22.5	9.7	7.6	15.5	11.7	6,696	481	7.2
Gibson Greetings	19.8	14.3	13.7	19.7	10.3	5.2	11.8	-4.4	530	38	7.2
Procter & Gamble	19.2	19.6	14.7	18.7	11.9	10.2	29.8	8.9	27,579	1,754	6.4
Avon Products	18.4	27.0	20.0	45.7	6.4	6.8	NM	125.3	3,590	131	3.7
Alberto-Culver	18.2	13.1	11.4	17.3	15.2	9.8	25.4	-18.5	874	30	3.5
Carter-Wallace	16.1	11.8	11.6	4.0	8.9	12.5	14.0	-12.9	669	45	6.8
Scott Paper	15.6	1.7	3.8	47.7	12.5	-2.1	NM	-87.2	5,096	36	0.7
Block Drug	15.4	14.1	13.5	4.5	13.0	16.6	13.1	14.9	544	56	10.3
Clorox	15.0	7.2	7.0	32.4	8.9	9.3	NM	-60.7	1,661	57	3.5
Church & Dwight	14.8	21.3	15.8	13.5	12.7	14.2	22.3	64.5	469	25	5.3
Helene Curtis Inds	10.0	7.4	6.1	43.3	20.3	24.0	-24.2	28.1	952	11	1.1
James River Corp Va	8.0	4.6	5.1	35.1	14.2	-16.2	-11.3	169.4	4,701	133	2.8
Dial	6.8	11.1	8.1	65.3	3.5	1.9	-23.7	500.0+	3,585	119	3.3
Service Corp Intl	5.5	15.5	8.5	50.8	10.8	9.3	NM	D-P	607	68	11.3
Duracell Intl	2.7†	11.2	10.9	53.5	12.0	13.2	NA	500.0+	1,559	76	4.9
Medians	**18.2**	**14.3**	**12.5**	**29.2**	**11.8**	**9.3**	**12.4**	**14.9**	**1,559**	**68**	**5.3**
Apparel & shoes											
LA Gear	61.3	def	def	0.0	136.2	-17.3	106.1	P-D	727	-35	def
Liz Claiborne	36.7	31.0	30.1	0.2	23.7	18.8	25.2	19.3	1,945	222	11.4
NIKE	36.2	32.8	31.7	4.5	26.8	26.4	50.1	12.7	3,117	302	9.7
Phillips-Van Heusen	32.7	17.5	13.7	49.6	9.6	15.1	10.8	22.0	890	28	3.1
Reebok International	31.9	24.8	21.2	29.4	41.1	28.7	20.2	44.0	2,637	224	8.5

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Lean and debt-free

FEW CLOTHING companies have escaped unscathed from the retailing downturn. But $2 billion (estimated 1991 sales) Liz Claiborne, Inc. has weathered the storm better than most.

At the end of the third quarter the company had $358 million in cash on hand and a 0.2% debt-to-capital ratio (compared with an industry median of 31.9%). Annual sales growth has averaged 24% during the past five years, earnings growth 25%.

Credit Chairman Jerome Chazen, 64, who grew up in New York City during the Depression and has a deep-seated aversion to debt. Chazen runs a lean shop as a result. Unlike competitors V.F. Corp. and Russell Corp., Liz Claiborne contracts out all of its manufacturing to some 300 factories in 36 countries. It has only 6,000 employees in the U.S. and 1,200 in its overseas offices.

This gives Chazen the flexibility to shift production from Hong Kong, where wages have been rising, to Indonesia or Sri Lanka. One way the company keeps in touch with its vast sprawl of manufacturers is through a video system linking its New York City head office, its New Jersey production headquarters and its three Far East offices.

Claiborne executives can view manufacturers' samples on the tube without a long wait for shipping or the expense of air freight. "Efficiency is a funny word," says Chazen, "but if we do a good job of planning, we can save an enormous amount of money."

Liz Claiborne Chairman Jerome Chazen
A Depression baby, he's always hated debt.

Chazen, whose background includes 16 years as a buyer and merchandiser of women's clothes, also has a good feel for what the typical department store customer wants. Recently introduced: Elisabeth, Liz Claiborne's line for larger women, sizes 14 to 22. Sales are expected to reach $100 million in 1991, up from $11 million during the 1989 introduction year.

Other fast-growing introductions include Liz & Co. knitwear, whose sales rose from $8 million in 1989 to an estimated $80 million in 1991.

Because of the recession, Claiborne deliberately held back sportswear production growth last year by about 5% to avoid inventory buildup. Result: In a business where the percentage of clothes sold at full price averages around 40%, Liz Claiborne's was 55%.

Chazen expects that new product development will slow in 1992 as Liz Claiborne works to expand its newer lines in accessories and women's clothes and to revamp the less successful men's line to appeal to a younger consumer. An attempt to rush things or to stretch the lean staff beyond its capacity, even during an upturn, says Chazen, would be inefficient. Says Prudential Securities analyst Deborah Bronston, "Liz always errs on the side of being conservative." –A.F.

tomed out in early 1991. In 1990 inventories were being worked down, but for most clothing companies discounting has decreased margins. The industry is busy installing computer systems and reworking old manufacturing processes. For example, V.F. Corp., maker of Lee and Wrangler jeans, in 1990 began switching from the standard assembly line to a modular manufacturing system. The new system gives workers greater flexibility and has reduced stockpiles of unfinished goods.

Textilemakers also felt the pressure to become more efficient. Fieldcrest Cannon Inc., maker of towels and sheets, laid off 1,600 workers, consolidated the sluggish rug-and-carpet division and closed its unprofitable electric-blanket business. Even Shaw Industries Inc., the country's largest carpetmaker and the industry's lowest-cost producer, has been hurt by lower demand for residential carpets. In fiscal 1991 (ended June 29), its earnings fell 50%, to $33 million from $65 million the previous year, despite a 7% increase in sales to $1.6 billion from $1.5 billion. But Robinson-Humphrey textile analyst Lorraine Miller expects the company to rebound this year, with projected profits of $66 million on sales of $1.7 billion.

What about 1992? The Conference Board, based in New York, predicts a turnaround will begin in the third quarter: Its forecast shows that, net of inflation, spending on consumer nondurables will rise slowly in the first half and accelerate to annualized growth of 3.4% in the fourth quarter.

Consumer nondurables	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Stride Rite	29.0	34.5	32.0	2.1	14.2	11.0	43.0	22.3	561	63	11.3
Gitano Group	27.3*	def	def	38.6	25.5	-5.7	NM	P-D	755	-15	def
Fruit of the Loom	22.9	18.3	9.6	56.5	20.9	4.5	23.8†	-17.3	1,514	83	5.5
Melville	22.0	16.1	16.3	3.0	12.8	20.0	14.4	-8.3	9,728	348	3.6
Leslie Fay Cos	18.1	16.9	12.8	28.1	12.3	4.4	13.8	12.0	866	32	3.7
Russell	18.0	10.8	8.3	26.0	13.9	2.6	16.3	-27.8	742	50	6.8
VF	15.7	11.4	9.2	38.6	13.1	7.8	-4.9	-22.4	2,790	103	3.7
Kellwood	11.9	9.3	8.2	34.3	10.2	10.6	-13.2	338.9	856	19	2.2
Crystal Brands	9.0	def	0.8	55.7	21.0	-1.4	52.2	P-D	844	-16	def
Instrument Systems	7.2	22.2	12.4	50.8	13.7	7.8	NM	59.4	494	15	3.1
Oxford Industries	5.3	6.9	6.2	20.5	-0.9	-6.7	NM	39.3	498	7	1.4
Salant	def	NE	def	121.2	33.3	-10.9	NM	D-D	384	-24	def
Warnaco Group	NE	NE	1.7	124.6	6.5*	NA	NM	NA	560	-30	def
Medians	20.1	13.7	9.4	31.9	14.0	7.8	14.1	12.0	850	30	3.4
Textiles											
Delta Woodside Inds	27.1	21.6	15.3	27.9	25.1	23.7	NM	500.0+	632	32	5.0
Shaw Industries	24.6	15.1	9.3	60.7	25.1	3.8	17.2	-43.8	1,624	32	2.0
Unifi	24.5	18.5	NA	4.6	12.6	NA	34.5	NA	991	43	4.4
Salem Carpet Mills	9.9	def	0.1	44.5	9.9	-12.1	-11.2	P-D	401	-5	def
Dixie Yarns	9.4	def	1.9	34.3	18.3	-10.0	-13.6	P-D	504	-1	def
Guilford Mills	7.1	8.8	7.1	28.0	3.8	4.0	-4.1	D-P	553	15	2.8
DWG	def	def	3.7	66.4	2.4	-0.4	NM	D-D	1,221	-18	def
Medians	9.9	8.8	5.4	34.3	12.6	1.7	-11.2	-43.8	632	15	2.0
Photography & toys											
Mattel	24.1	30.3	20.6	33.9	6.2	9.6	NM	5.2	1,536	103	6.7
Tyco Toys	19.6*	1.9	3.3	54.1	52.2	5.4	NM	-87.8	483	2	0.4
Eastman Kodak	13.1	11.0	7.0	46.6	13.8	4.5	16.6	136.1	19,488	743	3.8
Hasbro	11.6	7.3	8.8	38.8	3.5	29.7	NM	-23.3	1,873	65	3.5
Polaroid	10.7	85.8	63.4	23.5	7.8	6.3	21.7	500.0+	2,033	680	33.5
Fuqua Industries	10.3	def	def	32.3	4.7	-3.2	NM	P-D	919	-39	def
Fisher-Price	NA	NA	def	30.3	NM	1.2	NA	NA	636	-16	def
Medians	12.4	9.2	7.0	33.9	6.2	5.4	NM	-9.0	1,536	65	3.5
Industry medians	18.0	13.6	9.4	32.4	12.3	7.6	10.8	10.3	919	45	3.7
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Electric utilities face likely capacity shortages, no-growth environmentalists and tough competition from independent producers.

By Manjeet Kripalani

The utility industry faces three big challenges: (1) meet the stringent requirements of the Clean Air Act of 1990; (2) plan for the new capacity needed by the end of the decade; (3) remain profitable while accomplishing (1) and (2).

For a few utilities—Potomac Electric, Northern States Power, Kansas City Power & Light, for example—complying with the latest environmental legislation may require simply switching from high- to low-sulfur coal. For others, the issue is more complex. Should they spend several hundred million dollars for new coal scrubbers? Retrofit plants to run on cleaner-burning natural gas? Buy more electricity from independent power producers?

Despite the recession, demand for electricity increased

Electric utilities	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Northeast											
Potomac Electric	15.2	12.8	6.3	48.6	1.2	8.6	NM	2.2	1,520	202	13.3
General Public Utils	14.2	12.4	7.4	34.7	1.2	8.4	18.6	-3.1	3,226	273	8.5
Pennsylvania P&L	14.0	13.8	7.4	38.7	3.6	3.8	8.5	-4.3	2,527	350	13.9
Pub Svc Enterprise	13.3	12.7	7.4	39.6	1.9	2.9	5.2	4.4	5,037	572	11.4
Orange & Rockland	13.3	14.5	8.4	42.2	2.2	3.0	1.8	15.0	577	52	9.1
Allegheny Power	13.3	12.0	7.4	41.1	6.1	-1.6	NM	1.4	2,272	196	8.6
Consolidated Edison	13.1	12.4	8.1	36.0	1.2	2.7	3.0	7.9	5,898	596	10.1
Atlantic Energy	13.1	11.3	7.0	33.4	4.9	5.3	4.1	-6.6	763	77	10.1
New England Electric	12.8	12.3	6.3	41.7	5.0	9.9	NM	-39.3	1,992	170	8.5
Baltimore G&E	12.1	8.7	5.8	37.8	3.9	11.2	-7.6	-3.1	2,367	223	9.4
Northeast Utilities	11.8	12.5	7.0	45.8	6.4	2.9	-3.9	1.5	2,688	225	8.4
Central Maine Power	11.5	11.5	7.5	42.3	8.5	7.9	2.5	1.7	820	59	7.2
NY State E&G	11.4	11.0	6.2	39.5	3.8	2.8	NM	-5.9	1,528	168	11.0
Commonwealth Energy	10.7	8.7	5.4	44.3	5.2	2.4	-9.7	-16.7	851	28	3.3
Delmarva Power & Lt	10.4	4.5	4.1	38.5	2.8	1.7	-15.2	-65.7	832	37	4.5
Rochester G&E	10.2	9.4	6.6	44.7	2.8	0.1	NM	-4.9	844	61	7.3
American Water Works	10.0	11.6	7.6	49.7	5.4	12.2	NM	54.8	623	77	12.4
Central Hudson G&E	9.7	10.6	7.3	43.5	NM	1.6	NM	-0.8	503	42	8.4
Philadelphia Elec	8.7	11.4	7.4	48.4	3.9	8.2	NM	297.9	3,926	484	12.3
Boston Edison	6.6	11.1	6.2	45.6	1.9	6.1	-11.0	D-P	1,315	92	7.0
Long Island Lighting	5.1	12.1	7.9	57.8	4.3	2.4	-7.8	33.3	2,510	317	12.6
Niagara Mohawk Power	4.6	3.2	4.6	49.4	3.2	6.7	-35.4	-59.3	3,315	103	3.1
United Illuminating	3.1	13.4	5.5	48.9	3.2	10.7	NM	15.5	642	55	8.6
Medians	11.5	11.6	7.0	42.3	3.6	3.8	-11.0	1.4	1,528	168	8.6
North central											
PSI Resources	36.6	17.5	9.2	39.4	NM	1.6	6.3	-2.8	1,032	112	10.9
Cincinnati G&E	17.3	14.7	8.2	41.9	0.7	2.9	7.7	-5.0	1,505	238	15.8
IES Industries	15.4*	8.6	5.4	39.7	1.5*	3.2	15.9*	-54.3	609	40	6.5
DPL	15.0	12.6	8.9	45.3	-0.5	4.0	20.9	-10.6	1,004	135	13.4
Wisconsin Energy	14.9	13.5	8.2	32.4	0.9	3.6	4.1	0.0	1,509	187	12.4
Union Electric	14.9	15.3	8.5	35.0	4.6	2.4	22.7	0.0	2,102	323	15.4
Ipalco Enterprises	14.8	13.5	8.0	31.6	5.4	4.6	NM	0.8	638	99	15.6
Minnesota Power & Lt	14.5	10.0	6.5	35.4	3.7	1.7	NM	-9.9	483	70	14.6
WPL Holdings	13.8	15.8	7.6	30.8	1.5	4.8	NM	-9.7	640	60	9.3
No States Power	13.5	13.1	7.1	30.1	3.4	38.3	NM	35.3	2,166	220	10.2
American Electric	13.5	11.8	6.8	41.9	1.5	-4.3	3.1	-10.4	5,045	493	9.8
Iowa-Illinois G&E	13.2	12.4	6.0	40.4	-2.7	-1.7	NM	7.9	490	58	11.9
Wisconsin Public Svc	13.0	12.9	7.4	33.4	-1.1	7.1	-1.5	8.5	617	53	8.6
Detroit Edison	12.6	19.8	8.9	48.1	3.7	4.4	4.8	11.9	3,443	543	15.8
CILcorp	12.5	11.5	5.7	30.8	NM	12.5	NM	4.2	578	37	6.4

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

about 2% in 1991. Capacity is adequate now, but more capacity will be needed by the turn of the century—and now is the time to start the building process.

What should fuel the new plants? Given concerns for the greenhouse effect, nuclear power, which currently provides 21% of the country's energy through its 112 operating plants, makes more sense than ever (FORBES, *June 11, 1990*). But the more radical enviros are well organized to block new nuclear plants; ground for the last new atomic facility in the U.S., Texas Utilities' Comanche Peak plant, was broken over a decade ago. Unless the political environment changes, new plants will probably be powered by natural gas or fluidized bed coal units. With bed coal units, pollutants come out the bottom in solid form, rather than being emitted from a stack into the sky.

Utilities also face a major challenge from independent power producers, small operators that typically sell from 5 megawatts to 200 megawatts to larger industrial companies. Independents don't have to worry about line maintenance or reading customer meters, and, most important, they escape many regulations. Most can produce power at a cheaper price than big utilities can. In 1990 these independents provided 6% of the country's power, but by the year 2000 they could contribute 12%.

The electric industry could soon face the same type of competition that hit the long-distance telephone carriers during the last decade, when independents such as MCI and Sprint were able to sell service carried on AT&T's lines (FORBES, *Dec. 23, 1991*). Mary Kenkel, of the Edison Electric Institute, worries that as the independent power

Poised for a nuclear comeback

FOR THE LAST nine years Duke Power Co.—the country's seventh-largest investor-owned utility—has been run by Chairman William Lee, now 62. Lee has electricity in his veins: His grandfather was the engineering brain behind Duke, which was founded in 1905.

Grandpa would be proud of the profitability record Lee has compiled. Sixty percent of the Charlotte, N.C.-based company's energy comes from nuclear power, the rest from coal and hydroelectric. The nuclear plants operate for more hours and at a higher capacity than the industry average—an 81% capacity factor, versus an industry average of 70%. Based on 1990 figures, Duke sells its power for 5.3 cents per kilowatt-hour, about 20% less than the national average charge, and still makes good money. Duke's five-year earnings growth of 4% is twice that of the Southeast utility stocks tracked by FORBES.

Duke is one of the few utilities that still engineer and build their own generating plants. When Duke built its Catawba nuclear plant in the mid-1980s, it spent $1,700 per kilowatt of generating capacity, about half what other utilities spent on nuclear plants at the time.

As Duke's nuclear construction tailed off, the company formed a subsidiary, Duke Engineering & Services, to contract out its team of engineers to design and manage construction projects for other utilities. At the moment, the company's 200 engineers have three large outside contracts.

Lee sees another benefit to retaining Duke's construction expertise. He believes that when the nuclear option becomes viable again—he hopes this will happen by the mid-1990s—Duke will have a reservoir of in-house engineering talent.

As befits any manager who takes intelligent risks, Lee's record is not perfect. Like a number of utilities, Duke diversified into nonregulated businesses in the 1980s. The company lost an estimated $30 million, for example, running a coal mine, and sold its interest in a theme park. Uncooperative regulators, too, have been a problem: In November 1991 the Public Service Commissions of North and South Carolina gave Duke only 40% of a requested rate hike.

To Lee, that is a reminder that Duke can never be too efficient. "If you think you're getting good," he says, "remember that laurels wilt fastest when sat upon." –M.K.

Duke Chairman William Lee **He has electricity in his veins.**

producers grow, they could start selling their power directly to utilities' retail customers, without compensating the utilities for use of their transmission lines.

Several utilities have come up with a strategy for dealing with the independents: Invest in them. For example, the country's fastest-growing independent, U.S. Generating Inc., is jointly owned by construction giant Bechtel Corp. and Pacific Gas & Electric Co.

In 1991 high dividend yields helped utilities outperform the broad market handsomely. Companies with fairly secure dividends include American Electric, New York State Electric & Gas and Texas Utilities.

Electric utilities	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Midwest Resources	12.1	10.4	5.9	39.8	3.1	4.9	NM	-5.8	960	65	6.8
Cipsco	11.7	12.2	6.5	31.4	-2.4	6.4	NM	8.0	647	73	11.3
Kansas City P&L	11.3	12.3	6.5	33.8	4.5	3.2	1.3†	0.9	786	111	14.1
Ohio Edison	11.1	8.5	6.2	47.0	5.9	6.4	-8.1	-28.3	2,341	240	10.3
DQE	11.1	12.4	6.8	45.8	5.7	3.9	NM	11.7	1,183	134	11.3
Nipsco Industries	8.7	13.0	6.9	35.9	-3.4	-1.2	39.7†	87.3	1,530	144	9.4
Kansas Gas & Elec	8.6	10.6	5.7	42.6	6.0	-1.5	NM	6.6	578	66	11.4
Centerior Energy	7.7	8.6	5.9	39.8	5.4	5.5	-11.7	11.5	2,472	242	9.8
Commonwealth Ed	7.4	8.4	6.8	46.8	1.2	16.4	-12.6	D-P	6,122	610	10.0
CMS Energy	1.0	def	def	56.8	-1.7	2.9	NM	P-D	3,075	-751	def
Illinois Power	def	def	1.4	44.0	3.7	3.0	NM	P-D	1,400	-58	def
Medians	12.8	12.3	6.8	39.8	1.5	3.8	-12.1	0.4	1,108	112	10.6
Southeast											
Scana	16.0	13.3	7.3	39.3	0.4	0.2	6.5	-28.3	1,143	133	11.6
TECO Energy	15.5	15.2	7.9	33.8	4.7	5.7	7.7	3.8	1,141	142	12.4
Kentucky Utilities	14.7	14.9	10.4	38.2	NM	5.8	8.3	2.4	585	86	14.6
Florida Progress	13.9	12.5	6.8	32.1	4.0	2.9	-1.6	9.6	2,055	182	8.8
Duke Power	13.8	13.3	7.9	33.1	4.0	0.2	5.5	-3.8	3,727	564	15.1
Dominion Resources	13.5	12.3	7.7	42.5	5.6	1.8	2.9	-11.7	3,704	448	12.1
LG&E Energy	12.4	12.7	6.3	37.2	0.8	2.3	1.4	28.3	714	83	11.6
Carolina Power & Lt	11.4	13.0	7.3	39.6	6.4	3.7	NM	18.8	2,693	345	12.8
Southern Co	11.2	11.3	7.8	46.3	3.2	1.4	-7.5	23.4	8,013	767	9.6
FPL Group	5.2	7.0	5.0	38.7	9.4	-13.7	NM	D-P	5,330	240	4.5
Medians	13.6	12.9	7.5	38.5	4.0	2.1	2.2	6.7	2,374	211	11.9
South central											
Southwestern Pub Svc	16.6	16.4	9.6	34.3	-1.6	-5.8	NM	-3.7	725	115	15.8
Oklahoma G&E	15.0	15.8	8.1	36.8	2.3	6.2	7.2	1.8	1,309	142	10.9
Central & So West	13.4	13.2	7.2	33.0	NM	9.3	NM	2.9	2,934	361	12.3
Texas Utilities	13.2	def	0.7	46.2	2.1	10.3	NM	P-D	4,890	-395	def
Houston Industries	11.3	11.6	7.1	45.3	NM	7.2	-7.4	3.4	4,356	425	9.8
Entergy	5.1	10.8	7.1	46.3	3.7	3.0	13.1	13.7	4,056	441	10.9
Gulf States Utils	0.1	2.3	4.8	38.3	NM	3.0	NM	D-P	1,716	106	6.2
El Paso Electric	def	def	0.9	56.9	7.2	-2.1	NM	D-D	428	-33	def
Medians	12.2	11.2	7.1	41.8	0.3	4.6	NM	2.4	2,325	129	10.3
Western											
SCEcorp	15.0	14.8	9.1	42.6	7.6	4.4	2.5	12.7	7,371	814	11.1
San Diego G&E	14.8	15.2	9.1	38.9	2.6	2.4	NM	-2.7	1,777	208	11.7
Public Service Colo	14.6	12.2	7.6	36.3	NM	2.3	6.3	-15.6	1,759	131	7.5
PacifiCorp	14.6	13.7	6.7	47.2	4.9	7.3	5.6	-1.9	3,966	480	12.1
Puget Sound P&L	13.0	14.0	9.0	48.1	6.1	6.5	NM	24.1	969	140	14.4
Hawaiian Electric	10.4	6.8	5.2	33.6	11.6	14.0	NM	-26.2	1,097	43	3.9
Montana Power	9.7	12.4	8.3	33.7	6.9	13.6	NM	35.5	922	107	11.6
Pacific G&E	8.8	12.1	7.8	43.1	2.7	4.7	-4.7	18.7	9,595	996	10.4
Portland General	7.1	2.7	3.9	41.9	0.8	5.3	NM	500.0+	880	21	2.4
Public Service NM	0.4	1.2	3.0	42.0	4.9	-0.5	NM	75.0	861	18	2.1
Pinnacle West	def	8.0	5.9	50.5	6.5	-2.7	NM	D-P	1,518	122	8.0
Tucson Electric	def	def	def	106.6	3.5	7.2	NM	D-D	552	-770	def
Medians	10.1	12.1	7.1	42.3	4.9	5.0	NM	15.7	1,308	127	9.2
Industry medians	12.4	12.2	7.0	40.4	3.2	3.7	-11.7	1.7	1,509	134	10.1
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

For the companies that find, refine and deliver oil or gas, last year wasn't so great. The way things look now, 1992 won't be so great, either.

By William P. Barrett

Latest 12-month earnings of energy companies fell more than 5%. This year won't be pretty, either. The drive for market share by oil-producing nations such as Saudi Arabia and the imminent return to the world oil market of Kuwait—and maybe even Iraq—promise to keep production relatively high. The lingering recession is depressing consumption, which in turn will keep prices and margins down across the board. Reflecting all this, Wall Street has recently been beating up on the oils.

Some analysts predict the price of U.S. benchmark crude, about $20 a barrel toward year's end, will fall to near $15 during 1992. That's higher than the $11 bottom hit in 1986, but it will squeeze everybody, from the major internationals to small independents. In Houston, the U.S. energy capital, gloom is increasing.

On the natural gas side, prices remain lower than both true replacement cost and their historical relationship to

Williams Cos.' Joseph Williams on a crowded right-of-way

"Never fall in love with your assets."

Pipe dreams

In 1959 Joseph Williams' first job at family-controlled Williams Cos. was that of a lowly timekeeper. "You get a bird's-eye view," he says of his days monitoring personnel and equipment usage during pipeline construction projects. "You can spot the inefficiencies in a way that no one else has the chance to see them."

Williams, now 58, still has a bit of that timekeeper mentality as chairman and chief executive of the Tulsa-based energy company (estimated 1991 revenues, $2.1 billion). By paring costs, slashing payrolls and finding new ways to use aging assets, he has made his firm one of the brighter spots.

Example: Seven years ago someone came up with the seemingly zany idea of using abandoned gas pipelines as conduits for fiber-optic telecommunications. Williams Cos. jumped at the opportunity. In many places the company ended up laying new conduits—but they were often along pipeline rights-of-way it already owned, chopping capital costs in half. Williams' 11,000-mile fiber-optic network is now the country's fourth largest, behind AT&T's, MCI's and Sprint's. The network should contribute a quarter of Williams' expected 1991 profits of about $100 million.

As for its existing pipeline business, federal data on natural gas pipelines show that Williams' operating costs per unit of gas moved are below the industry average. To add incremental revenues to existing core businesses, Williams has a gas-marketing division that arranges for the transportation of other customers' gas, often through Williams' two big interstate pipelines.

Williams Cos.' five divisions are largely autonomous, so big decisions are made more quickly and closer to the action. Joe Williams says this breeds efficiency, drawing on his seven-year stint in Iran as a project manager in the 1960s. Says he, "It made me more efficient because I didn't have a large staff to depend upon."

Williams detests lazy assets. "Either put 'em to work or we're going to get rid of them," he says. Until a few years ago, Williams Cos. had units involved in coal mining, fertilizer production and real estate. No more. Indeed, even earlier, in 1975, Joe Williams helped make the decision to sell Williams International Group, the company unit where he started. "It was a terrible wrench because the management at the time, which included four Williamses, had grown up in that business," he says. The lesson? "Never fall in love with your assets. If you do, you're a goner."

–W.P.B.

the price of oil. Low prices have somewhat stimulated demand, but not by much. A big event in natural gas last year was the Chapter 11 filing of highly leveraged Columbia Gas. But Columbia was merely the worst case in a troubled industry sector. Transco, Tenneco and Pacific Enterprises all cut their dividends. Among the few standouts: Enron, which turned profits in the normally tough summer months; Coastal Corp., which adroitly managed system expansion, and Williams Cos. *(see box, opposite).*

One overall plus: Most of the pipeline companies have settled their "take or pay" exposure for high-priced gas from old contracts. And hopes remain that gas will come into its own sooner or later, if for no other reason than environmental concerns over oil.

Low prices and fears of more stringent environmental restrictions will continue to gut domestic energy exploration and development in the U.S., already at its lowest level in years. This is bad news for oilfield service companies. A

Energy

	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
International oils											
Exxon	14.4	17.8	11.7	12.3	4.9	9.5	NM	54.5	107,613	6,035	5.6
Amoco	13.4	11.1	7.7	21.6	3.1	7.3	8.3	-6.0	27,418	1,558	5.7
Mobil	12.0	12.1	9.4	16.6	NM	9.7	8.4	28.3	58,511	2,172	3.7
Texaco	11.3	14.2	10.2	24.8	NM	16.7	NM	3.2	40,635	1,358	3.3
Chevron	9.9	11.9	8.9	21.0	NM	17.6	NM	212.8	39,834	1,887	4.7
British Petroleum	NA	15.4	10.0	31.0	NM	21.4	NA	NA	61,496	2,770	4.5
Medians	12.0	13.2	9.7	21.3	NM	13.2	NM	28.3	49,573	2,030	4.6
Other energy											
Holly Corp	68.3	49.1	19.8	66.0	8.9	11.6	NM	-51.0	488	12	2.4
Tosco	39.0	12.2	11.0	38.4	10.8	9.5	76.7†	-73.6	2,131	55	2.6
Union Texas Petrol	37.1	66.2	22.1	30.5	-8.8	10.7	NM	500.0+	1,265	313	24.7
Atlantic Richfield	26.5	14.0	8.2	34.1	NM	10.2	31.4*	-32.7	18,003	1,007	5.6
Charter	23.6	10.0	11.0	27.7	-18.8	-9.9	NA	D-P	518	14	2.7
Broken Hill	23.0	20.8	11.1	38.8	15.6	1.8	17.0	8.5	11,770	902	7.7
Mapco	22.4	29.6	12.2	44.3	7.7	15.8	20.2	-1.2	2,813	122	4.3
Phillips Petroleum	18.5	15.6	9.0	41.2	NM	11.4	8.2	500.0+	13,727	512	3.7
Diamond Shamrock	17.7*	11.4	8.5	36.7	4.9	13.8	82.9†	-38.8	2,770	47	1.7
El du Pont de Nemours	15.1	13.0	8.9	24.3	7.1	6.0	17.7	-8.5	39,656	2,111	5.3
Amerada Hess	14.2	11.9	7.9	38.8	NM	16.5	44.8†	16.2	7,097	371	5.2
Ashland Oil	13.2	11.3	7.9	42.3	6.2	9.5	NM	-21.7	9,303	145	1.6
Fina	11.7	3.4	3.4	39.0	11.7	3.7	NM	-59.3	3,672	39	1.1
Unocal	11.4	5.0	4.8	56.3	2.6	4.1	NM	-62.5	10,340	127	1.2
Witco	10.7	10.5	8.4	25.0	3.4	3.5	NM	108.0	1,654	65	3.9
Crown Central Pet	9.6	3.5	3.9	14.2	7.7	-0.1	-16.6†	-46.8	1,946	11	0.6
USX-Marathon	9.3*	10.3	6.7	45.6	12.7*	12.5	NM	NA	13,686	374	2.7
Kerr-McGee	7.3	7.2	5.7	30.8	3.3	4.5	22.2†	-13.1	3,518	117	3.3
Valero Energy	7.1	16.4	11.1	26.1	-15.7	4.6	109.4†	56.4	1,152	109	9.4
Murphy Oil	5.0	def	def	13.3	NM	11.4	NM	P-D	2,008	-19	def
Louisiana Land	4.7	9.0	6.2	35.0	-5.1	3.8	NM	10.4	821	42	5.1
Sun Co	4.2	def	def	13.0	NM	14.0	-22.9	P-D	11,279	-334	def
Howell	3.5	5.2	4.9	34.0	37.5	37.3	NM	-50.4	533	3	0.5
Quaker State	3.4	5.5	5.1	18.1	-2.3	-3.7	NM	-4.7	830	17	2.0
Westmoreland Coal	2.5	def	def	14.9	-1.0	-0.7	NM	P-D	563	-5	def
Tesoro Petroleum	def	def	4.7	35.5	-7.5	8.9	NM	P-D	1,085	4	0.4
Occidental Petroleum	def	def	def	53.6	8.7	-34.5	NM	P-D	13,550	-1,664	def
Petroleum Heat & Pwr	def	NE	def	104.8	17.7	-5.8	NM	D-D	552	-23	def
Pennzoil	def	7.8	5.5	51.6	5.3	12.3	30.9	D-P	2,599	97	3.7
Hadson	def	NE	11.5	114.1	42.7	3.6	NM	D-P	466	0	def
Maxus Energy	def*	def	5.0	70.5	-9.6	26.4	NM	D-D	799	8	1.0
Oryx Energy	NA	24.8	8.2	57.0	NM	9.1	NA	126.1	1,810	199	11.0
Medians	9.6	9.5	7.3	37.5	3.3	9.0	NM	-21.7	2,070	51	2.5

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

few, like Baker Hughes and Halliburton, will be able to find business abroad from oil-producing countries in Latin America and even the former U.S.S.R.

Although the current outlook for 1992 isn't promising, many companies have better long-term prospects. Downsizing and restructuring have made virtually all the players in the industry more efficient than they've been in decades. For companies like Amerada Hess, Diamond Shamrock and Atlantic Richfield, any upsurge in the price of oil will quickly boost profits.

Energy

Company	Profitability: Return on equity 5-year average %	Profitability: Return on equity latest 12 mos %	Profitability: Return on capital latest 12 mos %	Profitability: Debt/capital %	Growth: Sales 5-year average %	Growth: Sales latest 12 mos %	Growth: Earnings per share 5-year average %	Growth: Earnings per share latest 12 mos %	Sales latest 12 mos $mil	Net income latest 12 mos $mil	Profit margin latest 12 mos %
Oilfield services											
Schlumberger	12.0	20.3	19.1	9.0	NM	19.1	29.6†	27.1	6,002	659	11.0
Dresser Industries	8.8	8.8	8.7	11.1	2.6	14.2	NM	-9.2	4,790	153	3.2
Baker Hughes	8.4	12.2	10.1	26.2	3.1	8.2	43.2†	18.9	2,828	173	6.1
Halliburton	4.7	6.4	6.7	21.7	10.5	5.7	59.7†	-23.4	7,076	143	2.0
Smith International	def	9.3	9.0	53.5	-9.8	23.9	NM	D-P	435	13	2.9
Baroid	NA	9.3	7.4	38.9	-6.1	25.2	NM	17.9	690	24	3.5
Medians	8.4	9.3	8.9	24.0	-1.7	16.6	NM	18.4	3,809	148	3.3
Gas producers & pipeliners											
Coastal Corp	13.0	9.0	6.2	56.2	6.8	10.7	16.1	-13.0	9,884	179	1.8
Enron	10.6	12.6	7.0	45.9	NM	30.7	NM	-13.7	14,632	230	1.6
Williams Cos	8.7	9.6	6.6	45.2	-8.3	11.5	-32.7†	169.6	2,028	115	5.7
Sonat	7.4	9.5	6.9	46.0	-6.6	6.0	NM	26.6	1,591	110	6.9
Mitchell Energy	4.5	8.7	4.6	49.7	NM	26.6	14.8	79.4	860	53	6.1
Transco Energy	1.3	def	2.1	55.0	-4.9	-14.0	NM	P-D	2,743	-33	def
Panhandle Eastern	def	def	def	57.6	NM	-19.4	NM	P-D	2,616	-197	def
American Oil & Gas	def	12.6	10.9	35.5	34.2	-12.9	NM	D-P	385	13	3.5
Burlington Resources	NA	7.1	5.7	27.9	-16.3	-1.6	NA	-0.6	1,789	208	11.7
Medians	5.9	9.0	6.2	46.0	-8.3	6.0	NM	-0.6	2,028	110	3.5
Gas distributors											
Nicor	18.8	16.0	8.3	27.1	-5.3	-5.0	NM	-8.3	1,512	110	7.3
MCN	15.6*	13.1	7.6	39.1	-6.7	4.5	-15.0†	3.1	1,272	40	3.2
Piedmont Natural Gas	14.6	9.0	6.6	37.6	NM	-1.7	15.4	-33.2	400	18	4.6
Peoples Energy	13.6	12.3	7.6	39.1	-4.2	-5.3	NM	-1.0	1,104	67	6.1
UtiliCorp United	13.3	12.2	7.4	45.2	23.0	12.3	4.4	12.4	969	68	7.1
Kansas Power & Light	13.0	11.3	6.9	35.1	-2.8	-4.9	-3.0	0.0	1,125	75	6.7
Southwest Gas	12.4	def	2.9	62.1	11.3	-2.7	NM	P-D	825	-2	def
Washington Gas Light	12.2	11.2	8.3	34.0	NM	-5.1	NM	-9.2	698	46	6.7
Brooklyn Union Gas	11.8	10.6	7.0	39.1	NM	-0.3	NM	1.9	991	62	6.2
UGI	11.7	8.1	5.0	47.8	-7.1	102.4	NM	-14.7	694	23	3.4
Eastern Enterprises	11.5	7.9	5.9	33.6	-7.2	5.1	29.8*	-34.8	981	41	4.1
Laclede Gas	11.4	10.9	8.1	41.9	-2.2	-3.6	-7.8	18.5	454	20	4.4
Atlanta Gas Light	10.8	10.5	7.2	40.9	-0.6	-3.7	2.6	2.5	964	49	5.1
Wicor	10.0	4.1	4.1	27.4	-3.3	-4.8	-11.0	-58.4	665	10	1.5
Medians	12.3	10.8	7.1	39.1	-4.7	-3.2	-13.0	-4.6	967	44	4.9
Integrated gas											
Consol Natural Gas	10.9	9.0	5.7	30.2	NM	-6.0	-3.9	0.5	2,688	165	6.2
Equitable Resources	10.8	13.9	8.8	28.1	5.9	8.4	NM	50.2	681	74	10.8
National Fuel Gas	10.8	9.6	7.3	38.0	NM	-3.0	NM	-10.9	865	49	5.7
Questar	9.2	13.1	8.5	29.8	-2.9	19.9	NM	28.7	620	66	10.6
Oneok	9.1	10.6	7.2	34.6	NM	3.2	NM	9.9	689	36	5.2
Columbia Gas System	7.3	def	def	49.8	-7.5	-17.2	4.3*	P-D	2,438	-815	def
Pacific Enterprises	6.7	9.4	6.5	37.7	7.0	-2.4	NM	D-P	6,763	189	2.8
KN Energy	6.3	1.2	3.4	40.5	NM	3.2	17.6	-88.7	394	4	0.9
Arkla	5.2	2.6	3.1	47.3	22.0	20.2	NM	-77.2	2,822	39	1.4
Enserch	1.3	6.4	5.2	42.9	-2.6	1.4	NM	-33.3	2,832	61	2.2
Medians	8.2	9.2	6.1	37.8	-5.2	2.3	NM	-5.2	1,652	55	4.0
Industry medians	10.7	9.6	7.2	37.7	-4.2	6.0	NM	-4.7	1,810	62	3.5
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Movie companies, TV networks and publishers have been forced to audition the same act: cost-cutting.

By Kathryn Harris

Grimly, the free-spending media and entertainment companies of the 1980s spent much of 1991 tightening their belts. Through layoffs and asset sales, Rupert Murdoch's News Corp. reduced its work force by 20%. Both the *Dallas Times Herald* and the *Arkansas Gazette* (the oldest newspaper west of the Mississippi) ceased publication. Shortly after Robert Maxwell's death, his publishing empire sank into a sea of debt and controversy. And John Kluge, America's wealthiest man, put his 68%-owned Orion Pictures into Chapter 11.

Of the three major networks, only ABC was profitable in 1991. Network viewership continues to erode. Prime-time advertising revenues declined to $4.7 billion in 1991, down from nearly $5 billion the previous year, according to Paul Kagan Associates Inc. of Carmel, Calif. By contrast, cable fared relatively well, although the subscriber growth rate slowed to about 4% in 1991, compared with 5% in 1990.

"Cable is not recession-proof," said Bear, Stearns analyst Kenneth Goldman, noting that the number of pay-TV subscriptions declined in 1991. Still, Goldman predicts that cable operators' cash flow will increase by 10% to 13% annually for the next few years.

The newspaper industry endured a bleak year. First Boston's Kevin Gruneich predicts revenues won't be much better than flat in 1992. Susan Decker, an analyst for Donaldson, Lufkin & Jenrette, believes the industry hit bottom in the third quarter of 1991 and could show a 5% gain in revenues during the second half of 1992.

Ironically, 1991 ranked as the movie industry's third-best year at the box office. With fewer independent producers, more markets opening up abroad and a "new austerity" at the big studios, Bear, Stearns Managing Director Michael Garstin predicts that Hollywood will soon be making money again.

Television is king

AGAINST a backdrop of eroding network fortunes and a persistent recession, the performance of King World Productions is all the more striking. For the year ended Aug. 31, 1991, the TV program syndicator increased its profits 11%, to $93 million, on revenues of $476 million. As the leading distributor of "first-run" syndication shows, King World sells new shows on a market-by-market basis.

The King technique: a lean, 14-person sales force led by King World Chairman Roger King, 47. The group crisscrosses the country persuading stations to sign long-term contracts for *Wheel of Fortune, Jeopardy!* and *The Oprah Winfrey Show.* They're very persuasive. The first two programs have been sold in markets serving 84% of the nation through the 1993-94 season. *Oprah* has been sold in more than 77% of the country through 1995.

King World, as the distributor, gets a share of the revenues of these highly popular shows that amounts to over $350 million each year. As a result, King has ample cash ($242 million as of Aug. 31, 1991) to branch into other areas of the industry or create new programming of its own.

That part of the business is directed largely by President and Chief Executive Michael King, 43, the chairman's brother. *Inside Edition,* a tabloid-style news program, is his first in-house production. Launched in January 1989, it ranks in the top ten in first-run syndication.

In November 1991 King World acquired rights to *Hollywood Squares.* The company has also sold a prime-time pilot to CBS based on *Topper,* the 1950s TV comedy.

King's one toe stub was its 1988 purchase of a Buffalo TV station (WIVB-TV, a CBS affiliate) for $100 million. Losses at the station widened to $7.8 million in 1991, and the station fell out of compliance with its loan covenants. Talks have been under way to restructure the debt.

Buffalo aside, King World remains a favorite on Wall Street. With a payroll of fewer than 500 employees, King World made nearly as much last year as the ABC television network. NBC and CBS together were expected to lose nearly $500 million in 1991. –K.H.

Reagan B. Azim

King World Productions' Michael King **Producing in-house shows.**

Entertainment & information	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Broadcasting & cable											
King World Prods	65.7	61.5	38.5	28.5	26.3	4.9	40.7	10.7	476	93	19.6
CBS	30.0	def	def	53.9	-8.6	-5.9	-26.3	P-D	3,017	-251	def
Capital Cities/ABC	15.4	11.7	9.5	31.7	29.1	0.6	24.4	-18.0	5,374	398	7.4
Viacom	def†	def	2.7	76.4	25.6	8.0	NA	D-D	1,679	-105	def
Tele-Communications	def	def	2.8	84.7	49.6	8.0	NM	D-D	3,792	-200	def
Comcast	def	NE	def	89.2	46.5	10.4	NM	D-D	709	-161	def
Cablevision Systems	NE	NE	def	161.4	37.4	8.8	NM	D-D	597	-214	def
Multimedia	NE	NE	24.9	170.1	7.4	6.8	54.9†	8.1	508	51	10.0
Turner Broadcasting	NE	NE	7.7	104.3	29.5	8.5	NM	D-D	1,442	12	0.8
Medians	def	def	2.8	84.7	29.1	8.0	NM	D-D	1,442	-105	-5.3
Movies											
General Cinema	36.5	7.3	7.5	32.3	21.3	5.1	24.4	89.4	2,220	118	5.3
Paramount Commun	26.2	3.9	4.1	13.2	NM	6.7	22.6	-89.1	3,907	149	3.8
Walt Disney	24.5	18.1	12.1	30.1	22.1	5.8	22.1	-20.3	6,182	637	10.3
LIVE Entertainment	20.8	def	def	57.3	28.3	-23.0	32.6	P-D	506	-86	def
Handleman	18.3	10.7	10.2	33.5	12.3	4.7	NM	-27.6	784	25	3.2
Commtron	13.5	12.0	11.7	0.0	5.1	-4.8	14.9	-16.7	528	8	1.5
Time Warner	def	def	2.7	44.3	26.7	5.3	NM	D-D	11,922	-178	def
Orion Pictures	def	def	def	68.5	21.0	32.6	NM	P-D	645	-137	def
AMC Entertainment	def	def	6.9	82.4	11.7	-0.5	NM	D-D	418	-1	def
Medians	18.3	3.9	6.9	33.5	21.0	5.1	14.9	-89.1	784	8	1.5
Publishing											
Pulitzer Publishing	66.0	16.3	10.2	49.0	7.8	-3.0	7.1	-56.3	395	11	2.8
Reader's Digest Assn	45.2	31.8	30.2	1.8	12.9	14.7	26.7	14.8	2,399	214	8.9
Washington Post	28.9	12.9	11.2	9.1	5.9	-4.7	15.3	-34.2	1,383	117	8.5
Affiliated Pubs	26.6	3.6	4.0	41.2	9.4	-4.2	NM	-76.1	521	7	1.4
Dun & Bradstreet	25.5	23.6	23.5	0.0	12.1	0.7	8.6	-1.1	4,700	490	10.4
Commerce Clearing	22.6	13.7	12.2	4.1	9.8	0.1	-4.0	-14.4	704	30	4.3
Gannett	21.2	15.7	11.4	43.3	8.9	-3.4	9.7	-13.7	3,385	322	9.5
Dow Jones	20.9	6.4	5.7	23.8	11.8	-0.3	NM	-26.0	1,712	92	5.4
Knight-Ridder	20.9	14.0	8.5	33.3	5.7	-3.8	10.6	-22.6	2,237	128	5.7
New York Times	19.0	2.3	1.8	18.9	4.6	-4.7	NM	-28.9	1,707	25	1.4
RR Donnelley & Sons	17.4	12.8	8.6	21.8	11.6	18.6	8.9	-9.0	3,892	205	5.3
Times Mirror	16.9	7.0	5.8	31.6	4.7	0.4	-5.1	-32.7	3,586	141	3.9
McGraw-Hill	16.0	16.2	11.3	32.4	5.1	1.8	NM	500.0+	1,933	154	8.0
McClatchy Newspapers	14.7	7.8	6.4	10.6	11.0	3.8	9.9	-12.2	427	25	5.8
Banta	14.6	9.4	7.5	22.5	19.3	-3.2	6.1	16.8	562	20	3.5
Central Newspapers	14.3	8.8	7.7	0.8	3.6	-4.0	2.6	-25.4	420	24	5.7
Western Publishing	14.0	1.4	1.6	0.0	11.2	-2.1	-12.7	-86.2	489	3	0.7
Houghton Mifflin	12.3	10.7	9.6	18.6	8.5	8.7	NM	-10.8	465	22	4.8
Meredith	11.7	7.9	7.3	0.0	7.3	-0.5	15.2	-11.8	738	25	3.4
American Greetings	11.3	13.0	10.1	21.7	6.5	9.8	NM	14.9	1,470	87	5.9
EW Scripps	11.0*	9.5	6.9	26.3	7.6	-0.5	NM	8.0	1,291	61	4.7
Tribune	10.8	def	def	30.0	4.7	-18.5	NM	P-D	2,034	-82	def
AH Belo	9.8	8.4	5.8	44.8	2.3	-1.7	NM	-22.3	428	19	4.5
Media General	8.1	def	def	45.5	NM	-4.8	NM	P-D	593	-68	def
Medians	16.4	9.4	7.6	22.1	7.7	-1.1	-4.6	-18.3	1,337	28	4.8
Advertising											
Interpublic Group	21.7	17.7	14.0	24.4	15.2	20.0	17.1	9.9	1,541	86	5.6
Omnicom Group	19.6	17.9	14.3	47.4	11.3	3.2	12.7†	-0.5	1,184	54	4.6
ADVO-System	16.6	23.1	25.3	0.0	8.4	6.5	NM	11.6	697	19	2.8
Grey Advertising	14.0	11.4	12.5	2.6	16.1	14.0	11.1	0.8	514	14	2.7
WPP Group	2.8	def	2.8	41.7	NM	-5.2	13.8	D-D	2,176	2	0.1
Medians	16.6	17.7	14.0	24.4	11.3	6.5	12.7	0.8	1,184	19	2.8
Industry medians	15.4	8.4	7.6	31.6	11.0	0.7	-0.7	-22.6	1,291	25	3.8
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

After being burned by foreign loans, junk bonds and real estate, the financial services industry was rescued by individual investors.

By Matthew Schifrin

After four dismal years, financial services companies made a strong recovery in 1991. Yes, there were still those troubled thrifts and the recession. But falling interest rates were a boon not only for spread-sensitive outfits, like Fannie Mae, Sallie Mae and banks and thrifts, but also for brokerage firms that benefited from the long-awaited return of individual investors to the stock and bond markets.

With rates on six-month certificates of deposit dropping below 5% on average, money flooded into bond funds and stocks—investments that offered the promise of higher returns. There was also a deluge of new issues. The final tally of capital raised in 1991 could total nearly $15 billion, similar to 1986, the last record year.

Through the first 11 months of 1991 the Standard & Poor's brokerage stock index doubled. In contrast, the S&P

"What's the payback?"

ONE OF the most profitable savings and loans in the nation, $25 billion (assets) Golden West Financial has averaged an almost 20% return on equity over the past five years and a nearly 18% return over the last 12 months.

The Oakland, Calif.-based thrift has an impressive 1.2% ratio of problem assets to total loans, versus a 4% average for the thrift industry, says Bruce Harting, an analyst at Salomon Brothers. Moreover, general and administrative expenses as a percentage of gross income are 10%, compared with 18% for the industry.

Richard Morgenstein

Golden West's Herbert and Marion Sandler

A $25 billion thrift with mom-and-pop conservatism.

What's the secret? "We keep our business very, very simple," says President Marion Sandler, the wife of the husband-and-wife management team. That means no junk bonds in the portfolio and an almost religious adherence to the traditional thrift business of taking in deposits and making home mortgages. Adds Chairman Herbert Sandler, "Our expenses are low because we are constantly asking ourselves, 'What is the payback?' "

So no corporate jet or company limos. Advertising is done in-house, and an intercom at the front desk serves as the receptionist. "We don't need someone whose only function is to greet people and do nothing all day," says Marion.

Nor do any of Golden West's 230 World Savings & Loan branches have automated teller machines. One reason: The average age of Golden West's customers is 58, and they are intimidated by the machines, says Marion. No wasted space, either. The average branch office size is 3,250 square feet, compared with 10,000 square feet for other financial institutions.

All this penny-pinching hasn't come at the expense of Golden West employees. The thrifty Sandlers believe the only way to maintain quality is to motivate their workers. To that end, many managers and employees are awarded bonuses if they meet their operating budgets.

One way the Sandlers check quality is by hiring retirees to act as customers and make surprise inspections at local branches.

Although California's economy and housing industry are uncertain, Wall Street is giving the Sandlers a standing ovation for their performance. Shares of Golden West trade at 1.7 times book value, while the thrift industry is priced at a slight discount to book value.

The Sandlers' personal reward for their efficiency: Their 8% or so stake in Golden West is worth more than $250 million.

–M.S.

Financial services

Company	Profitability: Return on equity 5-year average %	Profitability: Return on equity latest 12 mos %	Profitability: Return on capital latest 12 mos %	Profitability: Debt/capital %	Growth: Sales 5-year average %	Growth: Sales latest 12 mos %	Growth: Earnings per share 5-year average %	Growth: Earnings per share latest 12 mos %	Sales latest 12 mos $mil	Net income latest 12 mos $mil	Profit margin latest 12 mos %
Multinational banks											
First Chicago	11.1	6.3	6.6	35.1	7.2	-10.1	NM	-47.4	5,116	189	3.7
BankAmerica	9.6	16.8	12.5	36.1	NM	4.2	NM	33.9	12,470	1,051	8.4
Bankers Trust NY	7.9	24.3	14.1	45.9	11.5	-10.9	NM	0.1	7,042	653	9.3
JP Morgan & Co	5.5	20.8	12.6	48.3	11.4	0.5	NM	37.2	10,438	1,036	9.9
Citicorp	5.2	def	2.0	69.8	12.9	-17.5	NM	D-D	32,952	-1,163	def
Chemical Banking	0.5	10.0	7.8	43.4	9.2	-7.5	NM	1.2	7,386	383	5.2
Continental Bank	def	def	def	39.4	3.1	-15.2	NM	D-D	2,465	-92	def
Manufacturers Hanover	def	3.3	5.1	41.6	-0.6	-8.8	NM	-69.0	7,044	163	2.3
Bank of Boston	def	def	def	42.6	14.0	-27.7	NM	D-D	4,536	-336	def
Chase Manhattan	def	12.7	8.5	50.7	8.9	-11.2	NM	D-P	12,328	578	4.7
Medians	**2.8**	**8.2**	**7.2**	**43.0**	**9.0**	**-10.5**	**NM**	**D-P**	**7,215**	**286**	**4.2**
Regional banks											
Wells Fargo	22.0	13.2	10.0	52.3	11.7	3.6	27.6	-43.7	5,960	409	6.9
State Street Boston	19.6	20.1	17.3	23.9	19.3	4.4	14.2	23.6	1,319	142	10.8
Bancorp Hawaii	19.2	16.9	15.2	9.8	16.5	16.3	16.9	8.2	1,038	108	10.4
SunTrust Banks	17.8	15.6	14.1	16.0	8.6	1.0	11.3	3.7	3,414	361	10.6
Fifth Third Bancorp	17.7*	17.0	16.2	1.5	25.8	7.1	12.6	13.7	881	133	15.1
Banc One	17.5	16.8	15.0	17.8	16.4	11.4	12.0	11.9	3,731	494	13.2
National City	17.1	12.1	11.7	11.0	9.6	-1.1	9.8	-26.2	2,634	204	7.7
Wachovia	17.0	15.9	15.5	5.1	8.8	0.1	8.7	6.0	2,494	311	12.5
Old Kent Financial	16.7	14.7	13.6	10.3	16.3	-1.1	5.4	0.0	862	90	10.4
First Union	16.5	10.0	9.4	40.9	16.7	7.8	NM	-5.7	4,175	285	6.8
NCNB	16.1	12.9	11.1	29.8	30.9	1.9	12.5	-15.4	6,702	433	6.5
Comerica	16.1	16.5	15.0	20.4	6.7	8.3	18.3	-1.1	1,400	143	10.2
Michigan National	16.1	4.5	4.6	8.2	10.2	11.8	14.4	-49.6	1,135	34	3.0
SouthTrust	16.0	15.3	13.4	18.4	17.5	10.8	6.6	20.6	927	86	9.2
NBD Bancorp	15.9	14.8	14.1	17.0	13.2	-0.7	12.6	1.6	2,640	276	10.5
Union Bank	15.8	11.9	9.7	23.2	29.8	0.4	16.7	-21.8	1,672	115	6.9
Society	15.8	16.2	14.8	14.5	14.9	4.4	9.5	8.3	1,649	165	10.0
Northern Trust	15.8	17.6	15.0	20.0	13.9	0.5	NM	6.2	1,298	125	9.6
Norwest	15.7	19.3	11.2	58.6	6.7	25.2	NM	7.1	4,212	360	8.6
US Bancorp	15.5	14.9	13.1	46.6	20.6	7.4	14.4	-0.2	2,010	188	9.3
Firstar	15.4	16.3	13.1	14.6	10.4	24.1	NM	2.7	1,192	124	10.4
Manufacturers Natl	15.4	15.8	15.2	6.7	14.3	5.0	9.0	7.7	1,183	118	10.0
Marshall & Ilsley	15.2	14.7	13.2	21.6	11.9	3.0	5.5	13.0	845	89	10.6
KeyCorp	14.8	14.8	13.3	26.3	22.1	28.5	5.7	7.5	2,195	173	7.9
First of America Bank	14.6	13.5	12.5	10.1	24.6	6.7	4.1	5.9	1,445	132	9.2
C&S/Sovran	14.5	1.2	2.4	22.1	11.9	-2.5	NM	-89.4	5,115	51	1.0
CoreStates Financial	14.3	6.9	6.8	42.4	17.3	3.3	-11.4	-62.5	2,498	95	3.8
South Carolina Natl	14.2	9.1	8.8	13.0	10.4	6.7	9.4	-22.3	728	44	6.0
Signet Banking	14.1	4.4	4.6	28.2	12.8	-9.1	NM	-51.6	1,306	33	2.5
AmSouth Bancorp	14.0	12.8	11.9	16.5	15.7	0.2	NM	26.8	894	77	8.6
Huntington Bcshs	13.8	14.3	13.1	14.2	15.5	-1.6	4.4	31.2	1,230	113	9.2
Commerce Bcshs	13.8	12.6	12.2	7.1	4.7	2.1	13.2	3.6	603	59	9.8
Barnett Banks	13.3	4.6	5.4	25.7	16.0	3.4	NM	-53.1	3,335	86	2.6
Crestar Financial	12.4	3.3	4.1	17.0	11.4	1.6	NM	-71.8	1,254	27	2.2
INB Financial	12.1	9.8	9.8	10.3	12.6	0.2	NM	-4.2	655	46	7.0
First Tennessee Natl	11.8	14.9	12.8	23.0	8.0	2.5	NM	26.5	750	59	7.9
PNC Financial	11.7	4.2	4.3	25.9	25.8	-6.6	-21.2	-53.2	4,556	121	2.7
Security Pacific	11.3	def	def	70.1	14.6	-8.3	-16.1	P-D	9,549	-723	def
Hibernia	11.1	def	def	28.6	26.6	-2.5	NM	P-D	764	-116	def
Boatmen's Bancshs	11.0	12.3	11.6	15.0	2.8	4.9	6.1	5.7	1,579	146	9.3
UJB Financial	10.5	def	0.3	8.2	16.4	-7.5	NM	P-D	1,234	-3	def
Fleet/Norstar Finl	10.5	def	2.8	48.9	16.4	1.8	NM	P-D	4,025	4	0.1
Meridian Bancorp	10.3	13.7	12.2	14.6	14.6	-4.7	-19.0	246.3	1,212	95	7.8
Bank of New York	9.8	3.6	4.5	30.0	31.8	-16.0	NM	-72.7	4,538	121	2.7
Republic New York	9.5	14.3	8.7	60.3	18.9	0.3	NM	-19.7	2,683	219	8.2

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

500 gained 25%, the Nasdaq 50%. Retail-oriented firms like Merrill Lynch, PaineWebber and A.G. Edwards posted healthy stock gains, while shares of San Francisco-based discount broker Charles Schwab nearly tripled.

The top company among the brokerage firms that were tracked in this survey, Morgan Stanley, continued to do well in 1991, thanks mainly to trading profits. If the economy starts to pick up this year and corporations become more acquisitive, 1992 could be even better for Morgan Stanley, one of Wall Street's leaders in mergers and acquisitions.

The mergers of Manufacturers Hanover and Chemical Banking, BankAmerica and Security Pacific, and NCNB and C&S/Sovran buoyed speculation in bank stocks. But analyst James Marks at SNL Securities in Charlottesville, Va. doubts whether all the big bank consolidations will pro-

Financial services	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
First Security	9.1	10.7	10.1	14.9	3.2	3.7	33.7	-0.6	709	52	7.3
Dominion Bankshares	8.8	def	def	18.8	18.7	-4.3	NM	P-D	1,061	-13	def
Midlantic	6.6	def	def	36.7	13.9	-16.6	NM	D-D	2,113	-475	def
Mercantile Bancorp	6.2	14.2	13.0	18.4	3.3	4.1	NM	21.8	781	65	8.3
BayBanks	5.9	def	def	9.7	13.8	-3.2	NM	D-D	1,047	-29	def
First Fidelity Bncp	4.3	14.7	11.8	35.5	10.3	-7.0	NM	D-P	2,848	216	7.6
Ameritrust	3.4	def	def	23.1	12.8	-7.1	NM	P-D	1,180	-36	def
First Interstate Bncp	2.7	def	0.9	53.4	4.2	-11.7	NM	D-D	5,380	-137	def
MNC Financial	2.3	def	def	33.6	21.1	-28.6	NM	D-D	2,207	-185	def
Riggs National	0.5	def	def	53.3	11.1	-13.1	NM	P-D	634	-131	def
Shawmut National	0.4	def	def	39.1	12.2	-15.5	NM	D-D	2,413	-375	def
First Bank System	0.0	14.4	9.3	37.5	-4.2	-15.9	NM	D-P	1,880	173	9.2
First American Corp	def	def	def	4.4	10.3	-24.5	NM	D-D	572	-8	def
Mellon Bank	def	3.6	6.0	41.6	1.2	-8.5	NM	-78.8	3,188	109	3.4
Valley National	def	7.6	7.5	21.3	2.9	-1.7	NM	D-P	1,127	34	3.1
Premier Bancorp	def	7.5	7.4	21.2	-3.1	-4.6	NM	95.8	381	12	3.0
First City Bncp Texas	NA	def	def	12.4	NA	-17.8	NA	P-D	1,158	-355	def
Medians	13.8	12.2	9.9	20.8	13.8	0.3	NM	-2.7	1,360	93	7.1
Thrift Institutions											
Golden West Finl	19.7	17.7	10.8	40.7	10.0	7.2	NM	19.6	2,237	217	9.7
Standard Fedl Bank	12.3*	11.6	9.9	14.3	7.1	-4.3	-13.0†	37.2	882	55	6.2
HF Ahmanson	11.0	7.7	5.8	46.6	11.0	-0.9	-10.6	-32.6	4,713	182	3.9
Gt Western Financial	10.4	11.0	6.6	56.6	3.5	-0.7	-13.7	101.1	4,073	230	5.7
Washington Mutual	7.6	15.9	11.0	25.8	11.3	1.5	NM	D-P	724	64	8.8
FirstFed Michigan	7.0	3.1	4.7	57.5	-1.6	-12.7	-35.4	-57.4	965	14	1.4
Talman Home Federal	5.9*	8.9	7.8	0.0	-2.3	-1.4	-15.4†	95.1	533	31	5.8
GlenFed	1.5	def	def	44.7	2.8	-24.4	NM	P-D	1,946	-233	def
CalFed	0.7	def	def	30.0	NM	-19.8	NM	D-D	1,910	-186	def
HomeFed	0.7	def	def	47.1	12.7	-13.7	NM	D-D	1,663	-948	def
Commercial Federal	def	10.5	9.6	23.7	10.0	5.9	NM	D-P	528	17	3.2
TCF Financial	def*	7.8	8.0	14.6	-4.5	-6.8	NM	D-P	448	12	2.7
Coast Savings Finl	def	12.5	16.9	20.3	9.2	-15.3	NM	D-P	960	29	3.0
Dime Savings Bank FSB	def*	def	def	49.9	8.3	-9.4	NM	D-D	1,011	-51	def
Anchor Bancorp	def*	22.5	10.1	25.6	5.5	-6.3	NM	D-P	856	46	5.4

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Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

vide the promised economies of scale. Bankers are "lemmings in neckties," warns Marks. One big bank conspicuously left out of the merger game has been Citibank, which is generally regarded as too big and sick to merge.

How about the thrifts? Declining interest rates were partially offset by the weak housing market and new government-imposed capital requirements. But the overall industry improved in 1991. For example, latest 12-month earnings per share at Golden West Financial, a well-managed California thrift, were $3.42, about 20% better than the previous 12 months *(see box, p. 144)*.

The mortgage-servicing business was a big boost to well-capitalized thrifts. Examples include Standard Federal Savings in Michigan and Great Western in California. Freddie Mac and Fannie Mae also benefited from increased demand for mortgage-backed securities. ■

Financial services

Company	Profitability: Return on equity 5-year average %	Profitability: Return on equity latest 12 mos %	Profitability: Return on capital latest 12 mos %	Profitability: Debt/capital %	Growth: Sales 5-year average %	Growth: Sales latest 12 mos %	Growth: Earnings per share 5-year average %	Growth: Earnings per share latest 12 mos %	Sales latest 12 mos $mil	Net income latest 12 mos $mil	Profit margin latest 12 mos %
Northeast Federal	def	def	4.1	0.3	NM	-15.4	NM	D-D	421	8	1.9
Meritor Savings Bank	def	def	def	58.9	-12.8	-39.1	NM	D-D	568	-65	def
American Capital	def	NE	def	87.3	6.5	-18.1	NM	D-D	460	-59	def
People's Bank	NA	def	def	0.0	10.1	-12.3	NA	D-D	632	-151	def
Medians	**0.7**	**7.7**	**5.8**	**30.0**	**6.5**	**-9.4**	**NM**	**P-D**	**882**	**14**	**2.7**
Brokerage & commodity											
Morgan Stanley	27.5	18.8	14.5	45.8	28.5	8.2	18.1	9.8	6,475	401	6.2
AG Edwards	16.8	19.5	19.9	0.0	8.9	21.0	6.9	33.8	774	77	9.9
Bear Stearns Cos	15.5	16.4	12.1	38.9	11.3	2.0	NM	62.8	2,415	172	7.1
Commercial Metals	11.6	6.0	5.4	18.7	6.6	1.1	8.1	-50.7	1,150	12	1.0
Salomon	9.4	14.8	10.3	64.5	9.3	0.2	NM	47.5	9,548	521	5.5
Charles Schwab	9.0†	21.1	15.1	40.3	22.9	17.8	NA	66.2	729	34	4.7
Merrill Lynch	5.9	16.4	11.8	56.0	8.6	7.6	-8.8	D-P	12,052	556	4.6
PaineWebber Group	def	def	3.5	39.5	8.7	-1.5	NM	P-D	3,036	11	0.4
Medians	**10.5**	**16.4**	**12.0**	**39.9**	**9.1**	**4.8**	**-8.8**	**40.6**	**2,726**	**125**	**5.1**
Lease & finance											
Sallie Mae	38.0	36.3	5.9	96.4	26.0	-3.0	25.5	19.8	3,428	332	9.7
Federal Natl Mortgage	30.9	31.3	7.0	94.6	4.2	5.5	67.9*	23.0	13,195	1,396	10.6
Federal Home Loan Mtg	29.6	22.0	9.0	81.7	19.3	8.1	15.1*	0.8	4,220	471	11.2
H&R Block	26.5	25.8	25.8	0.0	15.1	15.6	16.8	14.4	1,227	140	11.4
MBNA	24.3*	31.8	32.2	0.0	18.8*	NA	17.8*	NA	1,086	143	13.2
Household Intl	20.0	19.8	8.2	79.9	6.5	10.0	9.8	4.6	4,568	257	5.6
GATX	18.1	15.6	6.3	65.5	6.4	17.6	31.8*	19.1	969	86	8.9
American Express	16.2	12.7	8.1	58.3	14.2	4.5	-9.0	172.3	25,439	846	3.3
Primerica	13.8	15.2	10.5	57.0	46.9	6.0	46.9*	22.3	6,450	446	6.9
Beneficial Corp	13.3	15.0	8.6	80.2	NM	7.7	NM	3.6	1,831	143	7.8
Rouse	8.9	def	4.0	96.5	15.8	11.1	NM	D-D	572	-10	def
Ryder System	6.8	0.7	4.0	48.7	11.6	-1.1	-27.3	-87.6	5,070	20	0.4
New Valley	def	NE	def	NE	-16.3	-54.4	NM	D-P	268	-21	def
Medians	**18.1**	**15.6**	**8.1**	**65.5**	**14.2**	**6.8**	**15.1**	**16.8**	**3,428**	**143**	**7.8**
Industry medians	**11.1**	**12.0**	**8.7**	**27.2**	**11.3**	**0.1**	**NM**	**0.8**	**1,656**	**88**	**5.6**
All-industry medians	**13.2**	**9.9**	**7.6**	**32.4**	**11.3**	**3.7**	**4.5**	**-5.9**	**1,436**	**40**	**2.9**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Who said this industry is recession-proof? Low food inflation, slow sales and a trend toward buying less expensive generic brands tell a different tale.

By Toddi Gutner

Food distributors, supermarkets and restaurants usually benefit from a moderate rate of inflation because they can easily pass price increases on to their customers and improve margins. But despite food price inflation of barely 3% last year (as against 6.5% in 1990), the profitability of many of the supermarkets and wholesalers listed in the table fell sharply. Among the reasons: Faced with higher prices for branded packaged goods, millions of consumers are voting with their feet and buying less expensive generics and store brands.

Hit the hardest in 1991 were the food wholesalers. Purchasing practices like forward buying—where wholesalers purchase a future supply of goods to lock in favorable prices—backfired when prices went down instead of up. Super Food Services, for example, was hurt by this type of strategy.

But wholesalers face a more fundamental threat: Big supermarkets are dropping their independent distributors and replacing them with in-house distribution networks. Fleming Cos., the nation's largest wholesaler, lost $700 million in revenues in the last two years when it was dropped by regional chains like Raley's and Albertson's. And Wetterau was the supplier for Alexander's Shop & Save, a chain of nine supermarkets in New Hampshire and Massachusetts, until Alexander's was purchased by Hannaford Bros.

Super Valu Stores, a Minneapolis-based wholesaler, is an exception. Excluding gains from a spinoff, its profits have held steady while other wholesalers' earnings have declined over the latest 12 months. Super Valu specializes

Food distributors	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Supermarkets & convenience											
Food Lion	32.3	30.0	22.6	30.5	24.8	16.5	29.5	21.6	6,205	198	3.2
Arden Group	32.3	8.8	8.6	34.1	-4.4	-4.8	33.6	-56.1	320	5	1.7
Giant Food	24.9	20.3	14.9	27.0	8.5	1.7	20.5	0.5	3,381	113	3.3
Albertson's	23.9	23.1	20.7	12.1	10.6	6.8	23.1	13.9	8,595	251	2.9
Hannaford Bros	20.2	16.0	10.2	39.9	16.9	16.7	20.5	-1.0	1,936	41	2.1
Bruno's	20.0	17.8	12.4	28.5	22.2	8.0	17.9	2.6	2,647	64	2.4
Riser Foods	19.8†	26.6	13.2	60.3	NA	-3.7	NA	48.1	1,011	10	1.0
Winn-Dixie Stores	19.2	20.8	19.5	10.0	3.9	2.7	10.2	16.4	10,124	173	1.7
Smith's Food & Drug	17.7	15.3	9.6	39.4	24.2	9.1	19.6	25.6	2,156	42	2.0
Weis Markets	17.0	13.6	13.4	0.0	4.4	1.7	8.8	-2.1	1,289	83	6.5
Marsh Supermarkets	16.1	15.2	8.8	53.4	7.4	6.0	16.2	3.2	1,075	13	1.2
Schultz Sav-O Stores	16.0	9.6	7.9	32.4	4.6	0.1	11.1	-7.1	481	3	0.7
Delchamps	14.2	12.0	10.1	17.8	6.7	-2.7	17.4	-3.1	940	13	1.4
Great A&P Tea	14.1	9.4	7.3	30.4	11.6	4.5	23.4	-25.0	11,627	114	1.0
Ruddick	13.9	13.7	10.8	21.2	11.7	3.9	13.2	4.2	1,478	27	1.8
Casey's General Store	12.9	12.6	8.9	38.5	13.7	17.1	4.2	26.0	543	10	1.9
American Stores	12.4	19.8	10.0	62.5	11.9	-5.6	NM	75.7	21,315	267	1.3
Ingles Markets	12.4	9.1	6.5	50.9	14.2	4.5	4.8	0.0	1,045	12	1.2
Seaway Food Town	11.8	3.6	4.6	57.6	6.4	4.6	NM	-57.8	571	1	0.2
Village Super Market	9.1	3.8	5.1	41.3	9.8	0.7	-12.5	-54.3	686	2	0.3
Eagle Food Centers	9.1†	def	4.7	59.6	1.3	-1.8	NM	P-D	1,125	-1	def
Dairy Mart	8.6	10.7	8.1	63.3	15.0	6.5	NM	48.3	576	4	0.7
Foodarama Supermkts	7.1	def	4.8	64.8	8.1	6.7	-12.9	P-D	695	0	def
Vons Cos	6.9†	22.7	11.9	60.1	16.6	1.1	NM	77.8	5,373	64	1.2
Kroger	3.0	NE	25.4	235.7	3.6	5.0	-14.2	476.0	21,207	127	0.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Norman Brinker scores again

Now 60, Norman Brinker was the man behind Jack-in-the-Box, Steak & Ale and the Pillsbury Restaurant Group during their golden years. After 30 years in the restaurant industry Brinker still appears to have the magic touch. Next to McDonald's, Brinker International has the highest five-year average return on equity—18.7%—of the restaurant chains measured in this survey.

Brinker International (formerly known as Chili's) made the FORBES 200 Best Small Companies list from 1987 through 1990, but it didn't appear in 1991 (FORBES, *Nov. 11, 1991*). But that's only because Brinker—which had latest 12-month revenues of $449 million—had outgrown our definition of a small company.

When Norman Brinker invested in Chili's Grill & Bar in the early 1980s and became its chairman, Chili's was just another hamburger joint. In 1984 the company had 23 restaurants and grossed around $40 million. Today it has 271 restaurants (202 are company-owned) and has stores opening in Mexico and Canada.

All business people talk about focusing on the customer, but Brinker really does it. A Dallas-based management team is always on the road, questioning customers in Brinker outlets and in competitors' shops. Often Brinker participates in this research.

Reid Yokoi

Norman Brinker
The magic touch.

The research often pays off in unexpected ways. Brinker recalls once hearing an older couple say how much they loved Chili's and that they always went to Chili's when their college-age children were home from school. Brinker says the couple meant it as a compliment. "But I took it as a death knell because they were saying that they didn't go to this restaurant on their own," says Brinker. To correct the perception that Chili's restaurants were just for young people, Brinker expanded beyond hamburgers and offered new entrées such as chicken fajitas, ribs and steak.

At heart, Brinker is an innovative merchant who responds quickly to changing consumer tastes. At Chili's, 70% of sales now comes from such items as chicken sandwiches, tuna steak sandwiches and a collection of salads—dishes that weren't even on the menu in 1984. Brinker has also expanded beyond the Chili's concept and now runs a small number of Romano's Macaroni Grill restaurants (Italian food) and Grady's American Grill restaurants (steak and seafood).

Brinker has made good use of computers, too. The company has computerized its labor-and meal-scheduling plans. Food overbuying is minimized by a centralized purchasing program in which a majority of items are ordered from headquarters. There are also exhaustive kitchen staff training programs that teach employees how to minimize waste.

Brinker International was well prepared for the trend away from fast food and the movement toward moderately priced, full-service restaurants. Health-conscious consumers, usually age 35 to 55, are attracted to the varied menus and relaxed atmosphere at Brinkers. "These restaurants are priced only slightly above fast food outlets and yet the customers feel they are getting a lot more for their money," says Steve Rockwell, a restaurant analyst at Alex. Brown & Sons. "They deliver what they promise." –T.G.

in serving growing independent chains—outfits that are generally too small to start their own distribution system. The company also owns 102 supermarkets and 46% of Shopko, a 109-store general merchandise chain. (The rest of Shopko was spun off to Super Valu shareholders last October.)

Despite new cost-cutting technologies, such as time and attendance systems for employee scheduling, as well as scanners and electronic price displays, supermarkets aren't doing much better than wholesalers. Price competition has nipped at the margins of large regional chains such as Vons and Ralphs in southern California and Kroger in Dallas. Smith's Food & Drug and Food Lion—both of which have been successful with an everyday low price strategy—are moving into the southern California and Dallas markets.

Big winners from the slowdown in food price inflation last year were several restaurant chains. Shoney's, Brinker International, Morrison and Bob Evans Farms—all of which offer moderately priced casual and family dining—increased their earnings last year.

But fast-food outlets and cafeterias struggled to keep their customer base. "People are becoming increasingly value- and health-conscious and are continually looking for a good deal," observes Steve Rockwell, an Alex. Brown & Sons restaurant analyst. That trend is forcing Wendy's International, Taco Bell and McDonald's to revise their menus and cut prices—painful for their bottom lines. ■

Food distributors	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Natl Convenience	def	def	def	61.7	4.4	-1.9	NM	D-D	1,049	-15	def
Circle K	def	NE	def	219.2	13.1	-3.2	NM	D-D	3,426	-297	def
Penn Traffic	def†	NE	80.7	93.3	48.7	-6.1	NM	D-D	2,720	-11	def
Safeway	NE	NE	12.0	82.5	-7.5	2.3	NM	225.0	15,094	143	1.0
Medians	13.9	12.0	10.0	41.3	10.2	2.7	6.8	0.5	1,478	13	1.2
Food wholesalers											
Wetterau	19.4	20.0	10.6	61.1	10.7	4.5	10.0	8.0	5,717	52	0.9
Sysco	19.4	18.7	12.6	33.7	23.4	7.3	22.3	13.2	8,301	158	1.9
Super Valu Stores	18.6	16.4	12.5	35.7	7.8	3.7	12.9	6.5	11,838	161	1.4
Super Food Services	14.3	10.0	8.3	37.8	5.2	2.8	5.4	-29.4	1,826	12	0.7
Fleming Cos	11.7	13.0	9.3	45.6	12.6	7.3	3.8	14.9	12,753	111	0.9
Nash Finch	11.6	10.7	9.5	33.3	12.2	-0.4	3.7	1.9	2,337	18	0.8
Rykoff-Sexton	8.9	7.4	6.6	39.7	7.8	2.8	NM	25.8	1,465	14	0.9
Finevest Foods	def*	NE	def	375.5	24.4*	-28.2	NM	D-D	511	-132	def
Richfood Holding	NA	20.8	17.0	35.0	3.1	0.8	NA	98.1	1,022	11	1.1
Medians	13.0	13.0	9.5	37.8	10.7	2.8	4.6	8.0	2,337	18	0.9
Restaurant chains											
McDonald's	21.9	19.2	11.5	41.8	12.8	3.5	15.2	7.4	6,668	845	12.7
Brinker Intl	18.7	15.6	15.2	2.2	27.4	23.0	29.8	27.0	449	28	6.3
Morrison	16.0	15.6	12.4	15.1	13.7	7.2	18.2	32.5	984	27	2.8
Bob Evans Farms	15.7	15.1	14.6	0.6	13.0	8.7	9.2	27.1	510	35	6.8
Sizzler Intl	14.4	8.2	7.1	6.8	16.4	12.2	25.9	-21.0	515	21	4.1
Carl Karcher	14.2	11.4	10.0	56.2	12.2	2.7	NM	56.3	535	9	1.7
Shoney's	6.7	NE	27.0	188.6	11.3	6.4	-11.2	25.0	973	35	3.6
Wendy's Intl	6.0	10.6	9.5	32.0	-1.7	2.8	95.9†	28.9	1,032	49	4.7
TW Holdings	NA	def	4.1	84.2	21.4	-1.0	NA	NA	3,631	-69	def
Medians	15.1	11.4	11.5	32.0	13.0	6.4	16.7	27.0	973	28	4.1
Industry medians	14.2	12.0	10.0	39.7	11.6	3.5	9.0	7.0	1,465	27	1.2
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Profits keep rolling in for these companies. But now even food processors are taking heat from the regulators.

By Edward Giltenan

Cigarettes and alcoholic beverages are perennials on the regulators' hit list. Now packaged-food makers are taking their lumps. Last year a newly vigilant Food & Drug Administration cracked down on brand-name manufacturers for misleading labeling. For example, Procter & Gamble had to remove the word "fresh" from its Citrus Hill Fresh Choice orange juice after the FDA found it was made from concentrate.

But the trouble hasn't slowed down the inexorable forward march of the food processors on our list. They reported latest 12-month return on equity of 17%, nearly double the all-industry median in this survey. Even in a recession, people have to eat. The big question: How much will the slow erosion of brand loyalty eat into the margins of the big players? No one knows for sure. But any drop in domestic margins should be partly offset by the growing demand for American brand names abroad, particularly in Western Europe and Asia.

With the ascension of Michael Miles to the chairmanship of Philip Morris, can there be any doubt that the U.S. tobacco industry has reached full maturity? Miles, formerly head of the company's Kraft General Foods unit, is the first top gun in Philip Morris' 144-year history not to have risen out of the tobacco ranks. Its food businesses now make up half of Philip Morris' $50 billion in sales.

Smoking has been on the decline for years, but cigarettes are so cheap to make that the margins are unbeatable. Philip Morris still gets around two-thirds of its profits

Food, drink & tobacco	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Food processors											
General Mills	52.3	42.6	23.7	27.6	8.8	9.6	24.2	21.7	7,330	485	6.6
Ralston Purina	38.1	36.9	17.2	53.7	6.3	3.9	2.5	3.4	7,376	392	5.3
Smithfield Foods	35.2	35.4	26.9	23.5	NM	10.5	21.5	98.5	1,071	30	2.8
Kellogg	34.9	31.3	23.5	1.3	12.0	16.3	12.4	32.4	5,705	596	10.5
Wm Wrigley Jr	31.4	31.2	30.6	0.0	12.4	4.4	25.1	11.5	1,132	126	11.1
CPC International	27.7	22.2	15.3	27.5	5.5	10.9	24.4	0.2	6,165	364	5.9
HJ Heinz	27.2	30.7	22.3	9.1	9.0	6.4	14.5	29.3	6,588	679	10.3
Tyson Foods	26.2	21.6	10.4	44.7	23.4	2.5	21.1	16.0	3,922	145	3.7
Michael Foods	25.6	17.7	10.5	31.7	29.7	7.3	29.5	9.0	452	21	4.6
Quaker Oats	24.8†	24.1	14.1	22.5	12.0	7.4	11.5	19.6	5,521	245	4.4
Gerber Products	24.2	28.7	22.1	24.0	5.1	1.3	33.3	15.6	1,186	119	10.0
McCormick & Co	24.1	20.3	14.4	33.5	8.7	8.7	34.6	21.7	1,397	76	5.5
ConAgra	23.4	17.8	15.1	48.3	24.9	27.3	16.0	8.9	20,343	322	1.6
Savannah Foods	23.1	20.2	15.2	22.7	15.2	2.4	31.3	-13.6	1,222	42	3.4
Thorn Apple Valley	22.4	59.1	38.8	25.6	5.3	12.2	NM	500.0+	811	21	2.6
Universal Foods	21.3	22.3	17.6	32.6	6.7	-0.5	28.5	11.8	834	58	6.9
Lance	21.3	17.1	15.4	0.0	5.0	0.9	8.3	-14.8	447	40	8.9
Sara Lee	20.7	24.3	15.1	20.5	9.1	4.2	16.8	44.2	12,421	692	5.6
Dean Foods	20.5	18.9	14.6	24.6	11.2	4.5	13.2	13.8	2,171	74	3.4
Hershey Foods	20.0	15.3	12.2	17.4	5.1	6.3	14.4	-14.9	2,798	191	6.8
JM Smucker	19.4	17.2	16.4	2.0	12.3	7.1	16.2	5.8	464	32	6.9
Unilever NV	19.0	15.0	11.1	18.5	11.4	7.8	19.4	3.2	42,180	1,822	4.3
Imperial Holly	17.0	15.7	11.7	31.9	30.7	-2.2	NM	6.2	710	21	3.0
Chiquita Brands Intl	16.6	15.9	12.5	44.4	6.3	7.0	22.8	17.5	4,523	122	2.7
Geo A Hormel	16.4	16.9	15.5	4.2	6.8	5.8	17.7	11.9	2,836	86	3.1
Pilgrim's Pride	15.3	12.0	7.5	51.2	17.3	9.2	NM	-21.7	787	12	1.6
Flowers Industries	15.3	11.1	8.6	31.8	3.0	-0.3	NM	-28.1	828	23	2.8
Lancaster Colony	14.8	16.3	12.8	26.5	4.1	-0.5	34.2	50.0	504	23	4.6
Dole	14.8	13.3	7.9	30.8	13.8	5.3	31.1	-0.5	3,190	124	3.9
WLR Foods	14.8	7.2	6.5	13.2	7.7	-1.4	NM	-49.2	493	8	1.7

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Dwayne Andreas of Archer Daniels Midland **In the midst of the recession, he has spent $1.4 billion to keep ADM one step ahead of the competition.**

Not a kernel of waste

DWAYNE ANDREAS would like nothing better than to run Archer Daniels Midland as tightly as the Moscow restaurant that sells its VegeBurgers. "They're selling 5,400 patties a day in one store," says Andreas, longtime chief executive of the Decatur, Ill. firm. "It's all they can make."

For its size, ADM is every bit as efficient as that restaurant. The credit goes to Andreas, 73, and his almost maniacal obsession with being the nation's largest and lowest-cost grain processor. That singular drive, along with his impressive political contacts, have helped Andreas build ADM into a powerhouse with $8.7 billion in sales and $485 million in profits.

Consider the mileage ADM gets out of one commodity, corn, which accounts for half of the company's earnings. ADM derives about 30 different products from corn—everything from animal feed to an important component of denim fabric. In the 1970s Andreas was an early believer in high-fructose corn syrup. Derived from cornstarch, HFCS has largely replaced sugar as a soft-drink sweetener. ADM controls 31% of the HFCS domestic market. Andreas was also an early and outspoken supporter of ethanol, the fuel additive that purportedly reduces air pollution. ADM has 65% of the ethanol market.

That kind of focus makes for incredibly efficient production. In spring and summer, when soft-drink demand takes off, ADM's three domestic fructose plants churn day and night. In fall and winter, when competitors' fructose plants slow down, ADM's facilities stay busy pushing out ethanol.

On the Mississippi River, ADM operates a fleet of 2,200 barges for itself and customers. The huge fleet can pick up grain from elevators every three days, much more frequently than the competition. That cuts down on storage costs. "When I look at our company, I see one machine running 24 hours a day, Sundays and holidays," says Andreas. "That's 128 plants and 200 storage facilities, all geared together and running in one continuous hum." Result? ADM's return on capital averaged 9.1% between 1984 and 1990, compared with 6.8% for privately held Cargill, its biggest competitor.

How does Andreas do it? By not being afraid to spend money to keep ahead of rivals. Andreas stepped up his spending in the recession: In the last two years he spent $1.4 billion to modernize plants. Much of that has gone to make amino acids, such as lysine, for improved poultry and hog feed.

ADM's balance sheet is clean: Debt is just 17% of total capitalization. To the chagrin of some shareholders, Andreas prefers to shovel profits back into the company, paying a paltry cash dividend of 10 cents a share. "The key to our success," says Andreas, "is to have enough plans to invest our money the day we make it." –E.G.

from tobacco. Brand loyalty remains so powerful that the two top players, Philip Morris and RJR Nabisco, raised prices not twice, as is customary, but three times last year. On the other hand, discount brands, selling for as little as $1 a pack, continue to gain market share. They now account for a quarter of overall volume, according to John Maxwell of Wheat First Securities. Look for the big players to concentrate on foreign markets and to continue expanding their nontobacco businesses.

Despite the usual flat-to-declining volume, beer and soft-drink stocks had another good year. Philip Morris (with its Miller Brewing Co.), Anheuser-Busch Cos. and PepsiCo posted latest 12-month return on equity of more than 20%. Coca-Cola notched an astounding 41% return. Excise taxes on beer doubled, driving volume down 2% on the year.

Again, healthy foreign demand should soften the sluggishness prevailing at home. Number three brewer Adolph Coors plans to build a brewery in South Korea. And PepsiCo plans to attack Coke's dominance in Mexico, possibly by buying the country's largest Pepsi bottler, Grupo Escorpion.

Food, drink & tobacco	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest† 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Archer Daniels	14.6	12.9	10.5	17.8	10.0	8.9	16.2	2.6	8,690	485	5.6
Pioneer Hi-Bred Intl	14.2	16.4	15.1	8.5	4.7	16.6	10.3	47.6	1,125	104	9.3
Borden	13.8	19.2	13.1	41.4	11.4	-5.3	14.6	-1.6	7,284	354	4.9
Seaboard	13.6	8.5	6.8	22.1	10.3	42.5	18.4	-27.7	753	19	2.5
Hudson Foods	11.9	6.5	4.9	35.4	24.2	14.8	NM	-3.3	765	9	1.1
Campbell Soup	11.2	24.7	17.3	27.1	8.5	-1.9	NM	500.0+	6,157	426	6.9
Intl Multifoods	10.8	11.7	9.0	26.6	11.1	2.9	NM	43.8	2,214	38	1.7
Curtice Burns Foods	10.3	2.7	5.0	65.8	10.3	-1.2	-13.2	-52.4	926	3	0.3
IBP	9.5†	0.2	2.6	48.6	9.8	6.1	NM	-98.1	10,445	1	0.0
American Maize	4.7	4.6	7.1	33.1	2.3	4.9	NM	179.5	520	7	1.3
ERLY Industries	def	def	def	87.7	25.2	-15.6	NM	P-D	347	-7	def
Interstate Bakeries	NA	NE	8.9	53.2	10.9*	1.1	NA	D-D	1,112	-6	def
Pet	NA	9.4	7.4	55.9	17.4*	-2.1	NA	NA	1,871	44	2.4
Medians	19.4	17.1	13.1	27.1	10.0	5.3	14.6	8.9	1,397	74	3.9
Beverages											
Coca-Cola	41.9	41.2	34.1	18.9	10.9	13.3	19.6	-13.5	11,249	1,554	13.8
PepsiCo	28.2	21.7	12.4	51.2	17.3	11.5	18.4	6.9	19,123	1,075	5.6
Anheuser-Busch Cos	23.8	21.8	12.8	30.4	8.5	6.2	16.1	10.3	11,013	922	8.4
Brown-Forman	22.3	22.4	17.5	13.0	0.9	13.9	11.8	8.0	1,191	146	12.2
Seagram	13.8	11.7	10.0	25.5	20.5	9.3	18.2	0.1	5,106	701	13.7
Coca-Cola Enterprises	5.8*	3.0	4.1	54.9	25.6	0.7	NM	-40.0	4,038	54	1.3
Adolph Coors	3.5	2.7	2.4	7.9	8.6	-1.2	-16.8	-20.4	1,886	29	1.6
Coca-Cola Bottling	def	def	3.6	59.6	3.1	7.1	NM	D-D	452	1	0.1
Whitman	NA	21.2	8.4	58.8	11.6	4.8	NM	D-P	2,361	82	3.5
Medians	18.1	21.2	10.0	30.4	10.9	7.1	11.8	0.1	4,038	146	5.6
Tobacco											
UST Inc	39.7	50.6	48.1	0.0	9.4	17.9	19.8	21.0	859	254	29.6
Philip Morris Cos	35.2	34.3	16.2	49.6	27.5	18.4	24.5	16.3	50,139	4,106	8.2
American Brands	21.2	16.0	11.2	35.4	12.1	13.1	14.8	-25.4	8,639	597	6.9
Hanson	20.7	13.6	10.0	37.0	26.8	14.2	27.8	-3.8	13,839	1,786	12.9
Dibrell Brothers	20.4	26.1	12.4	64.7	26.8	33.4	14.9†	87.8	1,061	23	2.2
Culbro	6.0	def	3.1	49.2	NM	11.8	-36.6	P-D	990	-1	def
Std Commercial	4.1	12.8	11.2	16.0	14.9	14.1	-17.3	193.5	1,125	15	1.3
Brooke Group	def*	NE	def	201.8	45.1*	34.8	NM	P-D	1,061	-91	def
RJR Nabisco	NA	7.2	8.7	58.2	4.7*	7.1	NA	NA	14,700	269	1.8
Universal	NA	27.8	17.2	35.0	13.2*	19.6	17.7*	33.0	2,948	67	2.3
Medians	20.6	14.8	11.2	43.1	14.1	16.1	14.9	16.3	2,037	161	2.2
Industry medians	20.0	17.0	12.4	30.6	10.6	7.0	14.8	7.4	2,029	79	3.8
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

The companies that make packaging materials, paper and lumber just finished a dismal year. This one may not be much better.

By Linda Killian

Construction and publishing—this industry's largest customers—are two of the biggest recession victims. So it's not surprising that forest products and paper companies are in trouble. Earnings peaked in the second quarter of 1989 and have been sliding ever since. Latest 12-month profits were down approximately 60% compared with 1990. A mild recovery, at best, is expected for the paper business in 1992; lumber may make a stronger comeback.

A big increase in capacity over the last three years and a decrease in demand drove down the price of some types of wood pulp 40%, to $480 a ton by year-end. Except in recycling, capacity growth will be slow in the next few years.

One bright spot was bleached board, used for consumer packaging. Last summer manufacturers were able to pass along a 5% price increase. Uncoated printing papers and

Turning paper into money

LIKE EVERY other paper company's, Union Camp Corp.'s earnings were down last year. But thanks to its strong position in linerboard and its efficient operations, the Wayne, N.J.-based company should have a pretty good year in 1992.

Chalk that up to conservative management. In the 1980s, when many competitors were loading up with debt or making aggressive acquisitions, "We were putting our money back into our business," says Chairman and Chief Executive Raymond E. Cartledge.

Capital investments of $2.3 billion in the last four years have increased Union Camp's production capacity by 26%. At its Alabama linerboard mill, the company reduced its man-hours per ton of paper produced by 22%. Similar savings are expected at two other mills that it recently modernized. Cartledge, 62, claims $2.8 billion (sales) Union Camp is now the most cost-effective producer in the world in its two main products—linerboard and uncoated business papers.

Fully 35% of Union Camp's sales come from linerboard and corrugated containers, enough to give it more than a 7% share in the linerboard market and make it the fourth-largest U.S. producer. It's also a major exporter of linerboard, shipping 260,000 tons a year to overseas markets. Foreign demand for linerboard is expected to grow twice as fast as domestic demand.

Like all U.S. paper companies, Union Camp is under pressure to meet tougher environmental regulations. But Cartledge uses the forced plant upgrades as an opportunity to make things more efficient. Union Camp recently developed a process to bleach pulp using ozone instead of chlorine. The process reduces effluent and uses less water and chemicals, and it reduces bleaching costs at least 30%.

By increasing the amount of recycled fibers used in its linerboard, Union Camp expects to save $16 million annually in capital costs at one mill alone. When its Savannah, Ga. pulping plant was throwing off a strong sulfur odor, "rather than put a Band-Aid on the problem, we enlarged and modernized the plant, and decreased our costs by 12%," says Cartledge.

With a strong balance sheet, Union Camp may be ready for acquisitions. It bought Chase Bag (sales, $150 million) in 1990, but Cartledge wants to buy other companies. "I'm ready and able to compete and win anywhere in the world," he says. –L.K.

Union Camp's Raymond Cartledge
Running fast, efficient mills.

linerboard also did well. Linerboard exports were up 15% over 1990; this should be the strongest-performing paper sector in 1992. Companies like Union Camp, Stone Container and Temple-Inland will benefit.

Wood and forest products had a dismal year, but they could stage a recovery in 1992 if the supply of timber is sharply reduced. That could happen if federal timber sales are cut back in the Pacific Northwest and there's an end to below-cost timber sales by the U.S. Forest Service. Neither of these moves is certain. But if they happen and there's any kind of rebound in housing starts this year, there could actually be some lumber shortages by 1993.

Boise Cascade and many smaller private companies heavily reliant on government-owned wood could suffer if supplies tighten and prices rise. But Georgia-Pacific, Weyerhaeuser and Louisiana-Pacific—all of which have their own wood supplies—could triple their earnings by 1993. In early December 1,000 board feet of lumber was selling for $235. That could approach $300 by spring and go much higher by 1993 if demand picks up at the same time the supply is reduced.

The packaging industry, less sensitive to economic swings, hasn't fared too badly in the recession. Demand for consumer packaging was up slightly last year; can and plastic-bottle makers benefited from a decline in the cost of their raw materials: aluminum, steel and resin. Crown Cork & Seal's $800 million in acquisitions, including Continental Can's U.S. and Canadian operations, doubled its size. The Philadelphia-based company, which last paid a dividend in 1956, now has 25% of the U.S. beverage can market and should post close to a 20% earnings gain in 1991 and in 1992.

Forest products & packaging

Company	Profitability: Return on equity 5-year average %	Profitability: Return on equity latest 12 mos %	Profitability: Return on capital latest 12 mos %	Profitability: Debt/capital %	Growth: Sales 5-year average %	Growth: Sales latest 12 mos %	Growth: Earnings per share 5-year average %	Growth: Earnings per share latest 12 mos %	Sales latest 12 mos $mil	Net income latest 12 mos $mil	Profit margin latest 12 mos %
Paper & lumber											
PH Glatfelter	25.1	19.5	16.6	0.0	20.7	-4.1	23.5	0.6	585	81	13.9
Federal Paper Board	24.1	11.7	5.8	48.4	11.6	8.3	63.0	-37.9	1,461	100	6.8
Willamette Inds	21.0	4.3	3.8	34.3	12.3	0.0	21.9	-74.7	1,921	43	2.2
Consolidated Papers	20.4	10.9	9.4	11.0	8.1	-5.8	11.6	-35.9	902	100	11.1
Pope & Talbot	19.5	0.3	1.0	21.6	15.4	-11.3	28.7	-98.2	516	0	0.1
Georgia-Pacific	18.7	2.1	3.5	52.2	13.1	-2.1	26.7	-86.4	11,789	61	0.5
Albany International	18.6	2.9	2.6	46.2	13.4	5.6	NM	-63.2	567	7	1.3
Union Camp	16.4	8.0	4.3	34.7	9.4	4.9	25.1	-34.5	2,937	157	5.4
Potlatch	15.7	4.9	4.3	32.3	6.4	-4.2	25.3	-67.0	1,224	44	3.6
Bowater	14.5	6.1	4.3	24.8	10.9	-5.7	10.6	-39.6	1,316	62	4.7
International Paper	14.3	6.5	4.7	29.4	24.5	0.6	38.7	-51.2	12,748	368	2.9
Chesapeake	12.9	3.6	3.5	49.9	12.3	-1.5	13.2	-55.3	836	11	1.4
Westvaco	12.8	8.5	5.9	31.0	5.8	-4.5	6.0	-27.6	2,301	137	6.0
Mead	12.6	def	0.3	42.1	11.8	-2.0	NM	P-D	4,620	-36	def
Louisiana-Pacific	12.3	3.4	3.1	24.1	11.9	-14.0	29.9	-69.6	1,663	43	2.6
Boise Cascade	11.6	def	0.6	46.8	3.1	-5.5	NM	P-D	4,002	-59	def
Weyerhaeuser	11.0	6.0	4.2	50.0	8.2	8.9	14.1	26.1	8,659	231	2.7
Champion Intl	10.9	0.8	2.4	38.6	NM	-5.5	11.9	-89.2	4,823	57	1.2
Medians	**15.1**	**4.6**	**4.0**	**34.5**	**11.7**	**-4.2**	**18.0**	**-59.2**	**1,792**	**59**	**2.6**
Packaging											
Stone Container	23.5	def	4.7	69.0	36.0	-5.0	26.0	P-D	5,471	-3	def
Longview Fibre	22.0	5.0	4.5	42.8	9.6	-4.4	24.3	-59.4	654	24	3.6
Sonoco Products	18.1	18.9	13.1	26.8	15.6	2.2	7.4	104.5	1,680	97	5.8
Temple-Inland	18.1	11.2	7.9	32.4	14.9	7.3	29.5	-28.2	2,485	163	6.6
Bemis	17.7	16.9	11.4	27.2	7.7	5.5	20.9	1.0	1,154	50	4.4
Crown Cork & Seal	14.3	13.0	10.0	30.5	12.7	41.1	11.9	16.0	3,779	124	3.3
Constar Intl	14.0	10.5	8.5	20.6	2.5	5.3	8.8	0.5	533	15	2.8
Ball Corp	10.9	11.1	8.5	31.0	4.2	49.2	-2.0	10.0	2,032	59	2.9
St Joe Paper	9.7	2.9	3.3	3.6	5.7	-6.1	NM	-45.0	575	23	4.1
Sealed Air	8.1	NE	29.3	145.8	18.9	5.8	-12.1	45.9	426	15	3.4
Kerr Glass Mfg	def	def	4.1	66.8	4.1	-0.6	NM	D-D	295	-1	def
Gaylord Container	def*	def	def	97.8	11.7*	0.8	NM	D-D	724	-180	def
Medians	**14.2**	**8.3**	**8.2**	**31.7**	**10.7**	**3.7**	**8.1**	**-13.9**	**939**	**24**	**3.4**
Industry medians	**14.4**	**5.5**	**4.3**	**33.3**	**11.6**	**-1.8**	**12.6**	**-48.1**	**1,562**	**47**	**2.9**
All-industry medians	**13.2**	**9.9**	**7.6**	**32.4**	**11.3**	**3.7**	**4.5**	**-5.9**	**1,436**	**40**	**2.9**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

The good news? This group's return on equity is still way above average. The bad news? The politicians have noticed the profits.

By Mary Beth Grover

Health stocks are hot. Through mid-November 1991, drug companies outperformed the S&P 500 by a 2-to-1 margin, health maintenance organization stocks doubled and biotechnology stocks nearly tripled. Investors might be happy, but Washington isn't. Indeed, the 1992 election campaign portends a war against national health care costs, which are now nearly $700 billion and growing rapidly.

"Everyone is bent out of shape over cost containment," says Smith Barney analyst Christina Heuer, who points out that, as of mid-December, this worry has pushed down drug stocks' relative P/Es to the market multiple, from twice that figure 20 years ago. And as trade barriers come down in Europe, drug companies will no longer be

Health	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Drugs											
American Home Prods	60.6	49.7	37.1	3.4	5.2	1.0	NM	10.0	6,873	1,331	19.4
Syntex	51.1	48.6	38.9	21.4	12.2	18.0	17.8	18.5	1,871	431	23.0
Merck	48.9	53.1	43.8	9.4	16.7	14.4	30.4	20.9	8,388	2,034	24.3
Warner-Lambert	40.0	38.7	29.4	14.9	8.7	10.8	15.9*	14.9	4,967	543	10.9
Marion Merrell Dow	38.8	41.2	40.0	6.2	37.2	24.8	18.8	37.9	2,708	568	21.0
Abbott Laboratories	35.3	37.3	31.4	3.9	12.7	13.5	18.2	15.0	6,700	1,054	15.7
Glaxo Holdings	33.6	27.7	25.4	3.7	20.1	9.5	17.6	1.7	5,441	1,362	25.0
Schering-Plough	26.4	30.7	26.0	8.2	11.0	7.6	22.4	19.5	3,550	627	17.7
Bristol-Myers Squibb	26.2*	36.7	34.0	2.6	11.9	10.4	14.5*	106.0	10,958	1,971	18.0
Eli Lilly	26.0	32.5	30.4	8.5	8.2	14.4	16.5	16.3	5,597	1,259	22.5
Upjohn	18.6	25.3	20.5	10.7	8.5	11.9	9.5	144.4	3,311	522	15.8
Pfizer	18.0	16.8	15.7	2.9	9.3	12.6	5.5	18.5	6,885	876	12.7
Bergen Brunswig	15.8	14.0	11.1	29.8	9.6	8.9	21.4	3.3	4,838	64	1.3
Cardinal Distribution	15.8	11.3	8.9	30.6	19.5	38.5	15.6	31.5	1,368	21	1.5
Durr-Fillauer	14.5	15.0	16.0	34.3	13.5	14.9	18.0	14.3	908	19	2.1
Rhone-Poulenc Rorer	13.1	59.2	18.8	62.5	40.5	72.1	10.7	D-P	3,817	365	9.6
McKesson	11.8	11.3	9.8	25.9	5.6	12.2	3.3	5.8	9,163	101	1.1
Imcera Group	9.4	10.0	7.1	21.9	NM	10.1	46.4*	34.5	1,640	96	5.9
Bindley Western Inds	9.2	17.1	12.4	46.1	27.3	21.2	NM	111.3	2,287	10	0.5
National Intergroup	def	1.4	3.9	25.8	NM	11.1	NM	D-P	3,124	12	0.4
Medians	**22.3**	**29.2**	**23.0**	**12.8**	**11.4**	**12.4**	**16.2**	**19.0**	**4,328**	**533**	**14.2**
Health care services											
FHP International	39.5	18.2	16.4	9.6	37.8	28.5	33.9	19.4	1,367	37	2.7
PacifiCare Health	26.1	30.4	31.3	0.7	59.8	31.3	33.3	47.4	1,173	24	2.0
US Healthcare	24.7	58.4	60.2	0.0	28.0	27.5	NM	156.6	1,558	141	9.0
National Health Labs	22.0*	38.2	35.2	0.0	24.2	19..	32.9	25.3	576	98	17.0
Humana	21.5	20.2	15.4	30.5	18.2	20.9	35.5	10.1	5,865	355	6.1
National Medical	18.2	19.6	10.6	32.3	6.9	1.6	30.0	12.8	3,896	289	7.4
United HealthCare	16.5	45.3	45.3	1.7	36.1	38.8	NM	87.5	741	64	8.6
Manor Care	12.5	14.7	8.2	56.6	11.5	15.8	NM	21.6	846	34	4.0
Lifetime	10.4	13.1	12.5	47.2	64.2	25.4	48.1*	13.3	831	20	2.5
Universal Health	5.4	11.1	7.0	38.8	9.5	10.0	-6.9	62.7	676	19	2.8
Beverly Enterprises	def	4.7	5.8	51.0	3.5	6.8	NM	83.3	2,241	25	1.1
Foundation Health	NE	def	48.7	1.5	55.0	8.9	NM	50.3	986	31	3.2
American Medical	NA	def	5.9	81.0	NM	0.5	NA	D-D	2,546	-19	def
Hillhaven	NA	1.2	4.4	70.2	8.3	9.4	NA	NA	1,254	2	0.1
Medians	**17.3**	**16.5**	**13.9**	**31.4**	**21.2**	**17.5**	**11.6**	**25.3**	**1,214**	**33**	**3.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

required to run manufacturing facilities in the countries they do business in, thereby eliminating excess capacity. Heuer recommends Glaxo, Merck, Pfizer and Syntex because of promising new products.

As the government and managed health care providers try to stem drug costs, drug companies are responding with their own cost-cutting efforts. Merck, for instance, thinks it can offset price concessions given to large health care organizations by reducing the size of its sales force. The Food & Drug Administration is leaning toward speeding up its approval process. A change here would substantially reduce the 10 to 12 years and more than $230 million in research and development costs typically necessary to get a new drug from the laboratory to the market.

Advances in laparoscopy—in which doctors make small incisions and use miniature instruments and cameras to do gall bladder surgery, hernia surgery and sometimes even appendectomies, hysterectomies and other operations—were the big news in 1991. By 1995 laparoscopy should be a $2 billion market, figures Cowen & Co.'s Daniel Lemaitre. U.S. Surgical leads this field, and Johnson & Johnson is getting started in it.

It's hard to find much in the way of earnings in the biotechnology stocks. One exception is Amgen, which wasn't profitable when it went public in 1983. But worldwide sales of its Epogen red blood cell stimulator are expected to exceed $800 million in 1991. Of that, Amgen will get $400 million, plus royalties. In the first ten months of 1991, investors in search of the next Amgen poured

Diversity and synergy

ANY WAY you look at it, Abbott Laboratories stacks up well against the competition. North Chicago-based Abbott spends just 21% of its estimated $7 billion 1991 sales on selling, general and administration costs. Competitor Johnson & Johnson spends nearly twice that amount. Cowen & Co.'s analyst Daniel Lemaitre estimates Abbott's pretax margin at 22%—about twice those of Baxter International, C.R. Bard and Becton Dickinson.

What's Abbott's secret? Diversity, for one thing. Abbott has a big or leading market share in infant formula, in-vitro diagnostics, medical nutritional products, intravenous fluids and anti-infective pharmaceuticals. So when it comes to marketing and distributing, Abbott is able to realize enormous efficiencies.

For example, a few years ago Abbott's $1.5 billion (1990 revenues) diagnostics division came out with TestPack, an easy-to-use testing product that allows doctors to test for strep throat and pregnancy right in their offices.

The problem was that the diagnostics sales force, which called on hospitals and clinical laboratories, didn't have the manpower to call on individual doctors. The solution? Have the drug sales force sell the new kits. Abbott is now the world market leader in the $1 billion doctors' office diagnostics market, supplying physicians with test kits.

It is also a world leader in the $10 billion diagnostics market, which includes the $4 billion immunology diagnostics market for screening diseases such as hepatitis, AIDS and cancer.

Abbott continues to invest strongly in its growing pharmaceutical and diagnostics divisions. Ultimately, this should offset declining margins for the infant formula division, which is under pricing pressure from the government and competitors.

As with all drug companies, research at Abbott is a big-ticket item. Last year alone, Abbott spent an estimated $770 million on research. Such expenditures grew at a compound rate of 19% for the last five years, exceeding the compound growth rate for sales over the same period. That kind of investing has cut into Abbott's earnings-per-share growth: While profits grew at a record 20% rate in 1988, they will probably increase only 15% a year for the next several years.

Abbott's chairman, Duane Burnham
Balancing growth with investing.

But Chief Executive Duane Burnham, 49, sees nothing wrong with that kind of progress. Neither would many other chief executives of corporations as large as Abbott Laboratories.

–M.B.G.

over $1 billion into the 32 largest biotech initial public offerings.

Although some of the new biotech issues will probably bomb, Prudential Securities' Joseph Edelman expects biotechnology to be one of the fastest-growing industries in history. He thinks industrywide revenues could grow to $40 billion by the end of the decade; current revenues are about $4 billion. His advice? Stick with stocks of companies like Centocor, Synergen and Chiron, all of which have some clinical data to back up their claims.

Health	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Medical supplies											
Johnson & Johnson	27.7	28.4	23.2	17.3	11.8	10.9	23.9	27.5	12,093	1,419	11.7
Medtronic	22.5	20.5	20.7	1.0	19.8	19.9	18.5	12.9	1,053	139	13.2
US Surgical	21.5	29.4	22.6	40.8	21.5	66.3	33.8	76.1	755	77	10.2
Hillenbrand Inds	20.3	19.0	14.7	16.0	16.7	5.2	18.1	14.7	1,157	83	7.2
VWR	20.2	19.9	10.9	60.5	12.8	3.2	6.4	14.9	435	7	1.6
CR Bard	19.3	15.3	13.7	16.5	11.6	8.8	4.8	25.3	847	53	6.2
Bausch & Lomb	17.7	17.4	14.8	11.7	18.6	11.0	14.7	15.8	1,478	146	9.9
Becton Dickinson	17.4	14.6	10.3	32.2	9.9	7.9	13.1	4.1	2,172	190	8.7
Corning	16.2	15.4	12.6	23.1	10.8	15.4	19.1	4.2	3,206	298	9.3
American Cyanamid	15.0	13.6	11.7	11.5	6.1	8.7	19.7	6.6	4,984	349	7.0
Beckman Instruments	13.8*	11.6	10.6	13.7	8.7	7.7	NM	2.4	850	38	4.4
Angelica	13.1	12.7	11.0	22.7	8.7	5.8	4.8	3.9	427	22	5.3
Owens & Minor	9.6	12.9	10.2	40.2	27.0	8.8	NM	78.8	1,284	11	0.9
Baxter International	7.5	15.5	12.4	31.8	22.6	10.4	NM	D-P	8,705	585	6.7
Westmark Intl	5.3*	5.5	5.9	4.5	21.0	0.7	NM	-11.0	482	16	3.4
Perkin-Elmer	0.0	def	def	17.0	-10.1	1.1	NM	P-D	868	-16	def
Allergan	NA	def	def	20.5	23.6	7.2	NA	P-D	911	-62	def
Henley Group	NA	def	def	61.2	28.4†	-11.2	NM	D-D	1,689	-557	def
Medians	16.8	14.9	11.4	18.9	14.8	8.3	6.4	9.7	1,105	65	6.5
Industry medians	17.9	16.9	14.2	18.9	12.5	10.8	14.7	18.5	1,780	90	6.5
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9
Biotech											
Diagnostic Products	24.1	20.9	22.3	0.0	27.4	19.7	30.3	14.4	87	19	22.4
ICN Biomedicals	15.9	7.4	5.3	22.8	40.3	-9.0	22.2*	-51.2	109	4	4.1
Life Technologies	14.4	11.0	11.4	0.0	11.9	14.8	NM	-2.0	166	15	8.7
Applied BioScience	13.3	20.4	18.1	2.9	33.8	23.0	37.8	72.9	109	12	10.6
ALZA	11.3	13.1	7.9	33.4	17.8	31.1	28.4	32.8	122	33	27.0
Immucor	10.4	12.5	14.2	0.0	25.4	81.6	52.4	33.5	23	3	14.1
Molecular Biosystems	8.3	3.0	4.2	5.6	65.3	4.7	NM	-8.3	13	1	10.1
Amgen	7.2	8.3	9.8	2.7	79.6	104.4	NM	-46.9	646	40	6.3
Applied Biosystems	6.8	2.0	1.9	7.0	25.1	5.5	NM	D-P	168	3	1.9
Cordis	4.7	14.0	12.6	16.2	4.7	17.0	NM	-9.5	203	11	5.4
IGI	2.5	1.7	3.0	33.1	1.7	9.6	-44.5*	Z-P	22	0	0.5
Collagen	1.2	def	def	19.1	26.2	8.8	NM	P-D	60	-7	def
Gamma Biologicals	def	6.1	6.9	6.6	NM	-6.9	NM	-4.8	16	1	5.5
Biogen	def	3.0	6.0	0.0	32.7	36.6	NM	300.0	60	9	14.7
Synergen	def	def	def	3.9	NM	-54.0	NM	D-D	5	-8	def
California Biotech	def	def	def	0.0	10.6	-35.1	NM	D-D	9	-8	def
Genentech	def	8.2	6.2	13.9	41.7	9.8	NM	D-P	477	61	12.9
Genetics Institute	def	def	def	0.0	22.7	91.3	NM	D-D	68	-21	def
Chiron	def	8.5	7.3	31.0	58.6	78.6	NM	D-P	110	12	10.8
Collaborative Research	def	def	def	0.7	-4.6	0.1	NM	D-D	9	-2	def
Genzyme	def	0.0	1.5	0.6	39.3	111.1	NM	D-Z	91	3	3.6
Cambridge Biotech	def	def	def	12.7	34.1	22.2	NM	D-D	26	-4	def
Synbiotics	def	def	def	0.3	34.0	-28.1	NM	D-D	7	-6	def
Repligen	def	def	def	0.0	20.3	-30.0	NM	D-D	7	-7	def
Calgene	def	def	def	7.9	25.6	-15.0	NM	D-D	26	-28	def
Centocor	def	def	def	41.0	28.8	-24.7	NM	P-D	53	-284	def
Immunex	def	def	def	9.8	62.7	26.8	NM	D-D	40	-10	def
Enzo Biochem	def	def	def	64.9	24.5	2.0	NM	D-D	20	-11	def
XOMA	def*	def	def	1.1	26.4	-1.1	NM	D-D	19	-31	def
Medians	def	1.7	1.9	5.6	26.2	9.6	NM	-51.2	53	1	1.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. Z-P: Zero to profit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95. Note: Medians for the Biotech industry are not included in this Health industry and the all-industry medians.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

The big failures of last year cast a pall on insurers. Now the industry is struggling to restore its credibility.

By Carolyn T. Geer

Last year was one the insurance industry would just as soon forget. Regulators took over four major life insurers—with the attendant publicity as unprecedented as the size of the failures. The insurance units of First Executive Corp. and First Capital Holdings Corp. went under when the junk bonds that made up much of their portfolios dropped sharply in value. Bad real estate investments toppled Mutual Benefit Life Co. and the parent of Monarch Life Insurance Co. Concerns about the quality of assets plagued the entire industry. Moody's and Standard & Poor's responded with a rash of downgrades.

Some companies dumped their junk bonds near the bottom of a market that has since rallied sharply. Now the insurance industry faces other problems. Commercial mortgage loan portfolios continue to deteriorate. Delinquencies reached an alltime high of 5.6% in 1991 and could hit 7% this year. State regulators are now requiring life insurers to set up special reserves for all their assets, not just securities.

Life insurance stocks recovered somewhat from the pounding they took in 1990. But they're still trading near their 20-year low on a relative P/E basis. Robinson-Humphrey Co. insurance analyst Thomas Rosencrants thinks there are some good values here. He particularly likes companies with above-average quarterly earnings

Insurance	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Diversified											
Loews	22.2	15.0	12.4	21.6	12.3	8.6	12.6	-8.4	12,522	749	6.0
Reliance Group	21.5	def	def	69.9	9.9	-15.9	NM	P-D	3,160	-217	def
American Intl Group	19.6	15.7	12.7	35.1	20.5	10.2	23.7	5.6	16,702	1,535	9.2
Leucadia National	19.1	10.4	11.0	27.8	33.4	23.9	NM	-65.1	835	28	3.3
Safeco	17.9	13.5	12.4	14.1	6.4	6.3	12.8	1.7	3,185	268	8.4
Aon	16.7	15.6	12.0	19.4	12.0	16.4	4.1	-1.6	2,906	236	8.1
Cincinnati Financial	15.2	14.5	14.7	0.0	10.3	10.7	15.2	17.2	1,138	148	13.0
Old Republic Intl	14.9	15.2	13.8	14.9	5.2	8.5	7.5	14.3	1,344	120	8.9
CNA Financial	14.7	9.8	9.9	8.0	15.5	11.6	6.7	22.4	10,745	433	4.0
Transamerica	12.2	6.9	6.6	67.5	6.8	4.4	6.6	-35.2	6,875	208	3.0
Kemper	12.0	12.5	11.8	10.8	8.7	5.4	27.7	NM	3,061	207	6.8
Aetna Life & Cas	11.1	7.8	7.4	11.9	3.7*	-5.6	NM	-6.3	18,543	554	3.0
Uslico	11.0	6.1	6.0	22.8	15.0	-9.9	NM	-32.0	416	19	4.7
Lincoln National	10.2	10.3	9.4	11.9	13.6	6.8	NM	8.7	9,051	252	2.8
Independent Insurance	9.7	8.8	8.3	3.3	5.8	5.6	12.1	5.8	573	30	5.3
Cigna	9.6	8.7	8.4	14.0	6.9	7.2	-13.0*	25.3	18,766	460	2.5
American Bankers	9.4	18.0	13.3	30.5	6.6	4.8	NM	47.0	768	36	4.6
Sears, Roebuck	9.0	7.1	6.1	49.4	6.7	2.2	-4.3	-13.8	56,832	971	1.7
Unitrin	7.5†	7.3	7.3	0.0	2.3*	3.9	NM	26.4	1,247	137	11.0
Travelers	3.1	8.5	8.2	14.6	NM	-1.8	NM	D-P	11,505	377	3.3
Medians	12.1	10.1	9.6	14.8	7.8	5.9	-0.1	5.7	3,173	222	4.7
Life & health											
Conseco	43.1	53.6	19.6	66.0	82.1	68.7	65.6	191.6	1,196	88	7.4
Torchmark	26.6	26.2	17.2	37.8	4.6	9.3	13.5	0.9	1,900	230	12.1
American Family	17.9	17.7	9.3	9.1	22.2	22.9	9.3	27.4	3,137	141	4.5
Capital Holding	17.4	16.6	14.0	25.9	14.0	9.3	6.1	35.7	2,717	243	9.0
UNUM	13.0*	16.2	15.4	5.2	9.3	16.7	41.0†	18.5	2,397	201	8.4
Provident Life & Acc	12.7	10.8	10.2	13.0	9.9	5.4	5.3	-19.8	2,815	145	5.2
American General	11.4	10.8	8.6	46.5	6.6	-1.5	3.5	-11.4	4,402	467	10.6
NWNL	11.3	8.5	8.5	25.0	5.6	0.9	4.9	-13.2	1,367	47	3.4
Jefferson-Pilot	10.5	12.6	12.5	0.0	0.7	1.4	6.7	15.2	1,169	170	14.5
Liberty Corp	10.4	9.7	8.7	34.1	6.0	-0.8	NM	-25.6	351	26	7.4

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

growth (better than 10%) and superior asset quality, such as Capital Holding and UNUM.

Health insurers enjoyed three years of generally improving profitability, with premiums outpacing rising medical-claims costs, though there's some concern that earnings have peaked. Of course, the big issue for health insurers in this election year is how successful politicians will be in pressing for more affordable, more available health care coverage.

Property and casualty insurance remained in the doldrums in 1991, with insurers paying out an estimated $1.11 for every dollar of premium they wrote. This time personal lines like auto insurance weren't the problem; commercial lines were. Too many insurers chasing too

"To hell with efficiency"

WOODLAND HILLS-based 20th Century Industries is a model of efficiency. It writes private passenger auto and homeowners insurance exclusively in California, selling by telephone direct to consumers. That eliminates agent commissions, so selling costs are minimal—a mere 1% of premiums, versus about 15% for agent-sold auto policies.

The company almost never advertises, relying instead on word-of-mouth. Fully 80% of new auto insurance customers and 60% of new homeowner customers are referred by existing policyholders. Policies are processed in one highly computerized central building, while damaged cars can be driven or towed to one of several company-owned inspection centers. And of course the company tries to insure good drivers, which keeps claims costs down.

All of this penny-pinching allows 20th Century to charge some of the lowest rates around. So why does the California Department of Insurance want the company to give back some $106 million to policyholders? Simply put, the company is too profitable.

Fed up with high prices, California voters in 1988 passed an initiative calling for insurers to roll back rates. A court later ruled that insurers must be allowed a fair rate of return. Now Insurance Commissioner John Garamendi is forcing insurers to refund $2.5 billion to California policyholders for premiums they paid from November 1988 to November 1989. Among other things, the state has set the maximum rate of return on equity for all companies at 10% for that period. Anything over that has to be refunded. 20th Century's problem: It has consistently racked up around a 30% return.

Says Gerald Lewinsohn, who follows 20th Century for Merrill Lynch, "For political reasons, the California insurance department has blindly followed a formula that will generate the refunds it wants, and to hell with efficiency."

20th Century has refused to pay any rebates pending the outcome of a lawsuit it filed against the department in November. Commissioner Garamendi responded by calling the company "an insurance outlaw."

James Curley, 20th Century's president, says the department should stick to regulating rates—not rates of return: "The department is basically taking capacity away from the companies that are providing low-cost products. That cannot be in the consumer's best interest, anywhere." –C.T.G.

Steve Smith/Orpix

20th Century's James Curley **Selling insurance by phone is his number.**

little business kept premium rates too low.

Rates may be heading up soon, but that may be too late to help some of the more seriously ailing property/casualty outfits like USF&G Corp. Moreover, if the economy improves, that may not be good news for insurers. Why? Any economic recovery is accompanied by an increase in automobile and other property/casualty claims: More driving and more activity mean more accidents.

"If the economy takes off rapidly and we're hit with some big weather-related losses, there's no question you'll see a record number of insolvencies," predicts Salomon Brothers insurance analyst A. Michael Frinquelli.

So Frinquelli is on the hunt for strong balance sheets—stocks like Chubb, St. Paul and W.R. Berkley.

Insurance

Company	Profitability: Return on equity 5-year average %	Profitability: Return on equity latest 12 mos %	Profitability: Return on capital latest 12 mos %	Profitability: Debt/capital %	Growth: Sales 5-year average %	Growth: Sales latest 12 mos %	Growth: Earnings per share 5-year average %	Growth: Earnings per share latest 12 mos %	Sales latest 12 mos $mil	Net income latest 12 mos $mil	Profit margin latest 12 mos %
Kentucky Central Life	9.6	4.5	4.8	40.0	14.7	-3.3	-8.9	-40.8	452	14	3.1
Equitable of Iowa	9.4	12.4	11.8	18.0	11.1	12.4	1.2	54.3	718	35	4.9
Pioneer Financial Svcs	8.6	def	def	20.3	64.7	28.4	NM	P-D	698	-16	def
USLife	8.4	7.7	7.2	20.5	4.9	9.4	1.7	10.3	1,333	72	5.4
American Natl Ins	8.2	8.0	7.3	26.0	7.0	13.4	-7.6	39.1	1,185	129	10.9
Broad	6.5	13.2	10.7	26.8	14.3	9.8	NM	29.4	815	42	5.2
Washington National	def	def	def	4.2	8.8*	-27.7	NM	P-D	559	-22	def
ICH	def*	def	5.7	62.5	-1.5†	-1.7	NM	D-D	1,872	-8	def
Medians	**10.4**	**10.8**	**9.0**	**22.8**	**9.0**	**9.3**	**2.6**	**5.6**	**1,265**	**80**	**5.3**
Property & casualty											
20th Century Inds	32.3	30.7	30.5	0.2	22.6	13.9	42.9	51.7	880	123	14.0
Argonaut Group	27.2	18.7	18.7	0.0	3.0	-10.2	30.2	17.5	540	91	16.9
Geico	26.9	20.0	17.5	22.1	10.0	5.2	6.8	-9.7	2,074	202	9.8
Hartford Steam Boiler	26.8	21.2	17.5	13.5	11.1	10.0	18.7	-1.6	615	78	12.7
Progressive	24.7	13.7	9.5	49.5	25.2	6.1	16.9	-28.0	1,455	58	4.0
Mercury General	24.5	30.8	28.9	6.2	28.4	-0.5	28.0	22.9	531	68	12.8
General Re	20.2	18.5	18.0	2.8	3.1	8.3	33.7	5.0	3,156	628	19.9
Selective Insurance	19.8	10.6	10.0	5.3	11.9	4.9	5.3*	-22.1	554	26	4.8
Chubb	18.6	17.7	15.5	18.2	10.9	6.6	34.2	19.5	4,454	568	12.7
WR Berkley	18.5	12.3	11.2	20.8	17.0	-3.6	20.8	0.7	535	43	8.1
St Paul Cos	18.5	16.3	14.3	12.6	7.8	9.8	29.8	0.0	4,284	389	9.1
Hanover Insurance	15.1	6.4	6.4	0.0	13.6	5.8	13.2	4.8	1,809	49	2.7
Ohio Casualty	15.0	14.9	14.9	0.0	5.8	5.2	14.3	41.0	1,687	97	5.7
Orion Capital	12.4	17.3	11.7	39.1	13.5	-3.4	NM	10.1	792	31	3.9
ITT	11.6	8.0	7.1	44.0	2.1	1.6	27.1	-34.4	20,524	706	3.4
Berkshire Hathaway	11.3	9.1	8.3	15.8	17.2	32.6	NM	26.9	3,028	482	15.9
Alleghany	10.6†	8.0	7.5	35.0	33.3	10.0	4.6†	-19.9	1,496	52	3.5
First American Finl	10.4	0.7	3.3	19.6	10.7	-1.7	-25.3	-88.3	710	1	0.2
Zenith National Ins	9.5	1.4	1.2	5.6	12.2	-0.2	NM	-88.0	496	2	0.4
Fremont General	8.2	15.4	12.3	31.7	NM	2.9	NM	-2.0	577	29	5.0
Xerox	7.6	8.5	8.8	41.0	9.3	1.9	-10.1	289.3	17,968	598	3.3
Foremost Corp of Amer	6.9	3.3	2.0	43.7	-2.7	2.0	NM	D-P	442	5	1.1
Continental Corp	6.3	5.9	6.2	26.9	1.7	-5.5	NM	-21.6	5,470	126	2.3
USF&G	def	def	def	17.8	4.2	-9.5	NM	P-D	4,252	-746	def
Medians	**15.0**	**13.0**	**10.6**	**18.0**	**10.8**	**3.9**	**10.0**	**0.3**	**1,476**	**73**	**4.9**
Brokerage											
Marsh & McLennan Cos	38.9	28.3	22.6	23.6	13.4	5.1	11.4	-0.2	2,782	306	11.0
Crawford & Co	24.9	25.8	24.1	4.2	15.7	17.9	19.3	15.3	516	36	7.0
Alexander & Alexander	16.0	10.4	10.0	28.8	7.3	3.9	4.8*	-7.6	1,364	45	3.3
Frank B Hall	def	NE	2.5	48.9	NM	10.4	NM	D-D	468	-3	def
Medians	**20.5**	**18.1**	**16.3**	**26.2**	**10.3**	**7.7**	**8.1**	**-3.9**	**940**	**41**	**5.2**
Industry medians	**12.1**	**10.7**	**9.9**	**19.5**	**9.6**	**5.4**	**4.9**	**1.3**	**1,476**	**109**	**5.1**
All-industry medians	**13.2**	**9.9**	**7.6**	**32.4**	**11.3**	**3.7**	**4.5**	**-5.9**	**1,436**	**40**	**2.9**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

It's a good thing the steel industry worked so hard in the 1980s to prepare for the next recession.

By Vicki Contavespi

Autos and appliances—steel's largest customers—simply aren't selling. No wonder 1991 steel shipments were down about 8%, to 78 million tons, putting downward pressure on prices.

Nobody is comparing what's happening now with the 1981-83 downturn, when the six largest U.S. steelmakers at the time lost nearly $6 billion, laid off more than 200,000 workers and cut 25 million tons of capacity.

Following that, the industry embarked on extensive plant modernization, embraced new technologies—such as continuous and thin-slab casting—and entered into joint ventures with foreign steel companies. As a result, steel companies can run at lower capacities and still turn a profit. Even so, current capacity utilization of 75% to 80% isn't high enough for some integrated steelmakers, like Bethlehem Steel and Armco, to be profitable.

Reconstituted mills, those once-failed factories that have risen from the ashes, like Utah's Geneva Steel, and minimills, like Nucor, have escaped many of the problems faced by the integrated manufacturers. Most reconstituted mills—rescued from bankruptcy—avoided union rules and pension liabilities. Minimills have lower labor costs, and most use cheaper scrap rather than iron ore. Nucor, a minimill, is no lightweight, with sales of $1.5 billion and nues of around $1.025 billion, with net income of $38.6 million. She has 1992 earnings at an optimistic $74 million.

With its three top officers having degrees in metallurgy, Allegheny is prepared to maintain its edge in efficiency. "We're technology-driven," says Bozzone. –V.C.

"A piece of stainless would be there forever"

"IT'S DISTURBING to me when I drive across a bridge and see the railing eroding. I think: A piece of stainless would be there forever," says Robert P. Bozzone. Of course Bozzone has a vested interest. He's president and chief executive officer of $1 billion (revenues) Allegheny Ludlum Corp., one of the largest domestic producers of stainless steel and specialty metals.

Bozzone sees plenty of new opportunities. Aside from the 150 pounds of stainless already in a typical kitchen (pots, pans, flatware, sinks and microwave ovens), he sees more of these alloys being used in autos, furnaces and even home electronics equipment. Allegheny Ludlum has a technology center in Natrona Heights, Pa. and employs 430 scientists and research technicians companywide. It spends over $30 million on research and development a year.

Allegheny Ludlum has gone full circle. In the 1970s the company diversified into small home appliances and renamed itself Allegheny International. Following the 1970s notion that steel was a no-growth industry, the steelmaking operations were sold in 1980 to a group led by senior management. They took the company public again in May 1987 and, unlike most steel companies, made money throughout the rest of the decade.

What's Allegheny's secret? Bozzone says that more than 15 years ago, long before its competitors did, Allegheny started using a computerized cost system. The program assigns a cost factor to every aspect of production for each product. In this way the company sets efficiency standards that it keeps trying to beat. Bozzone estimates that Allegheny saved $4 million to $5 million a year since it began using the system.

The company expects to spend about $30 million in 1992 on capital improvements. A recently completed project is a cold-rolling mill in Pennsylvania that will eliminate several production steps. Bozzone figures this plant will save Allegheny $11 million a year.

It all adds up. Merrill Lynch analyst Barbara Crehan expects 1991 reve-

Robert Bozzone
"We're technology-driven."

earnings of $63 million over the last 12 months.

Steel's biggest rival, aluminum, is in the doldrums. Although U.S. plants are running at a healthy 97% of capacity, aluminum inventories are high.

But the biggest problem is the current price: 49 cents a pound, close to the lowest in history, when adjusted for inflation. U.S. producers have reduced capacity about 3%, but more cutbacks may be necessary. Consumption of aluminum by Western nations is expected to decline by 1.4% in 1991. Alcoa's results for the last 12 months tell the tale—$10 billion in sales but only $114 million in profits. In contrast, the aluminum giant earned $945 million in 1989.

Relatively speaking, copper is booming at $1.04 a pound, thanks to sporadic production problems in places like Zaire, Zambia and Chile. Even so, that price is below last year's $1.15 a pound. The price could continue to soften given the current buildup in inventories and the weak demand for finished products containing copper. The same applies to nickel. Sixty percent of nickel's production goes into stainless steel. Nickel traded over $4 a pound in 1990; the London Metals Exchange recently quoted it at $3.25.

Metals

	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Steel											
Allegheny Ludlum	46.7*	9.7	8.1	10.8	11.6	-4.7	12.2†	-62.0	1,011	34	3.4
USX-US Steel	33.6*	def	def	48.0	NM	NA	22.4†	NA	5,177	-291	def
Cyclops Industries	31.3†	def	2.8	48.7	15.9	-10.1	NA	D-D	1,095	-5	def
Birmingham Steel	26.0	0.4	0.5	39.3	23.2	-8.2	20.6*	-95.6	404	0	0.1
Lukens	19.7	16.3	13.4	6.1	12.1	-3.9	43.0*	-16.7	655	41	6.2
Worthington Inds	17.4	13.0	10.7	12.7	3.4	-4.5	4.3	-14.8	879	45	5.2
Quanex	15.3	10.2	7.4	48.1	17.1	-2.0	89.9†	-26.7	608	17	2.8
Nucor	14.9	9.7	12.1	3.1	15.8	2.1	7.9	-9.5	1,461	63	4.3
Central Steel & Wire	12.9	3.7	3.7	0.0	2.4	-14.7	NM	-64.5	457	6	1.2
AM Castle & Co	11.6	def	2.4	51.5	11.5	-5.7	NM	P-D	450	0	def
Carpenter Technology	10.2	8.1	6.2	21.4	3.3	-2.1	44.7	-39.4	564	26	4.6
Acme Steel	7.1	0.7	2.2	27.4	15.7	-14.7	NM	-79.3	387	1	0.3
Inland Steel Inds	6.2	def	def	23.2	6.6	-11.5	NM	P-D	3,465	-141	def
Armco	3.7	def	def	27.8	-10.8	-7.9	NM	D-D	1,601	-104	def
Weirton Steel	2.6	def	def	60.7	1.6	-14.5	NM	P-D	1,038	-81	def
Texas Industries	2.2	0.0	3.6	43.2	1.2	-4.6	NM	-99.4	631	0	def
Bethlehem Steel	1.0	def	def	35.2	1.5	-7.3	NM	P-D	4,493	-646	def
Lone Star Tech	def	6.8	3.5	21.6	19.1	-15.1	NM	D-P	523	9	1.7
LTV	NE	NE	def	NE	-5.2	-0.4	NM	-73.7	6,081	63	1.0
Geneva Steel	NA	20.1	12.6	42.2	NA	-9.1	NA	-53.2	481	27	5.6
Wheeling Pittsburgh	NA	NA	def	40.8	9.3	-8.8	NA	NA	994	-45	def
Medians	11.6	0.5	2.8	27.8	8.0	-7.6	NM	-73.7	879	1	0.3
Nonferrous metals											
Maxxam	49.3	19.8	10.8	68.5	NM	-4.7	NM	-49.6	2,296	80	3.5
Inco	44.9	8.1	7.4	30.9	23.1	-1.8	69.5†	-70.4	3,131	144	4.6
Phelps Dodge	25.2	17.8	14.4	17.3	30.4	-6.0	73.8	41.1	2,457	301	12.2
AMAX	22.1	4.5	5.0	42.7	22.8	1.8	30.1†	-55.1	3,817	100	2.6
Reynolds Metals	18.9	5.0	4.7	35.5	14.3	-1.7	30.2*	-65.1	5,879	146	2.5
Magma Copper	16.8*	11.7	8.8	38.3	21.6	-9.5	NM	-29.9	705	46	6.5
Alcan Aluminium	16.2	3.0	3.0	26.6	10.7	-5.1	30.9*	-68.6	8,165	167	2.1
Asarco	15.8	2.5	3.0	31.5	18.0	-10.2	-16.1†	-81.3	1,967	37	1.9
Cyprus Minerals	13.2	5.7	5.5	14.0	24.8	-4.0	66.3*	-46.2	1,752	80	4.6
Alcoa	13.2	2.3	4.9	15.2	12.9	-5.1	17.8*	-80.3	10,156	114	1.1
Homestake Mining	7.6*	def	def	5.9	9.8	-5.9	NM	P-D	425	-113	def
Handy & Harman	6.4	def	def	56.4	4.4	-4.5	20.4†	P-D	487	-35	def
Engelhard	4.9	12.1	11.4	14.2	4.1	-13.9	7.0	D-P	2,507	87	3.5
Newmont Mining	3.3	70.4	16.9	44.8	NM	-5.5	22.1*	-81.7	630	77	12.2
Tredegar Industries	NA	def	def	39.8	1.6	-17.7	NA	0.0	477	-14	def
Medians	16.0	5.0	5.0	31.5	12.9	-5.1	21.2	-65.1	2,296	80	2.6
Industry medians	13.2	3.7	3.7	31.2	10.7	-5.7	7.5	-66.9	1,025	27	1.8
All-industry medians	13.2	9.6	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

In retailing, the rich are getting richer, and many of the poor will fall by the wayside. For the industry, latest 12-month earnings were down almost 6%.

By Zina Sawaya

The chasm is widening between the top retailers and the laggards. Dillard Department Stores, the Gap, Circuit City Stores, Home Depot and Wal-Mart Stores are among the haves. Federated Department Stores, Allied Stores and Ames Department Stores are among the have-nots.

The most profitable companies generally have the most sophisticated computers for tracking what sells and reordering inventory in ways that make working capital work harder than ever. Computerization is expensive, but it pays. Stocking enough goods that consumers want and keeping leaner inventories of slow-selling items enables the better-run chains to rely less on costly markdowns to move goods. Working with vendors to get them to ship their merchandise only when the stores need it cuts financing costs.

Several companies are taking their cue from Wal-Mart's success *(see box)*. In 1990 Kmart initiated a six-year

Retailing	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Department stores											
May Dept Stores	19.5	17.8	10.2	51.4	8.6	5.2	29.8	-4.6	10,537	501	4.8
Dillard Dept Stores	17.4	15.0	11.2	40.5	17.7	12.8	18.7	11.0	3,930	205	5.2
JC Penney	15.7	8.8	6.5	33.3	3.1	-1.7	14.9	-41.8	16,086	433	2.7
Mercantile Stores	14.0	10.3	9.8	14.5	4.7	1.6	4.5	-8.6	2,421	121	5.0
Strawbridge	12.1	3.7	4.7	43.3	7.8	-5.2	NM	-69.1	955	9	1.0
Equitable of Iowa	9.4	12.4	11.8	18.0	11.1	12.4	1.2	54.3	718	35	4.9
Sears, Roebuck	9.0	7.1	6.1	49.4	6.7	2.2	-4.3	-13.8	56,832	971	1.7
Alexander's	1.8	def	def	30.2	-4.1	-6.5	NM	D-D	430	-4	def
Neiman Marcus Group	def†	def	3.8	43.3	12.4	2.2	NM	P-D	1,753	7	0.4
Carter Hawley Hale	NA	NE	def	150.6	-2.7	-21.5	NM	D-D	2,245	-124	def
Medians	12.1	8.0	6.3	41.9	7.3	1.9	-1.5	-27.8	2,333	78	2.2
Apparel											
Gap	36.2	43.3	43.3	11.7	24.0	26.2	30.1	65.8	2,340	202	8.7
Limited	33.1	24.0	17.7	28.7	16.2	14.6	20.5	-0.5	5,837	375	6.4
Merry-Go-Round	29.4	25.0	21.8	14.0	30.7	23.6	35.8	9.6	732	39	5.4
J Baker	20.3*	6.1	5.9	47.2	30.3	1.9	8.8	-51.3	452	6	1.3
Charming Shoppes	19.2	16.9	15.1	9.1	17.1	12.7	3.0	40.3	982	53	5.4
Edison Bros Stores	18.9	17.7	13.4	30.1	8.0	17.0	NM	-10.9	1,348	61	4.5
Nordstrom	18.8	17.1	12.4	33.4	17.6	8.9	17.0	39.5	3,104	141	4.6
Genesco	17.9	0.6	2.8	22.8	-1.7	-1.7	NM	-86.7	477	1	0.2
Ross Stores	16.8	18.9	13.9	33.5	15.0	15.1	21.4†	8.6	903	24	2.7
Burlington Coat	12.8	10.8	9.5	28.5	18.2	9.5	6.8	3.2	896	25	2.8
Brown Group	8.9	7.9	6.9	26.9	5.8	-5.6	NM	-21.8	1,729	26	1.5
Petrie Stores	5.1	1.2	1.8	15.1	1.8	3.9	-23.5	-66.7	1,343	8	0.6
US Shoe	2.7	def	def	22.0	7.6	-1.2	NM	P-D	2,737	-29	def
Hartmarx	0.0	def	def	40.3	4.2	-5.7	NM	D-D	1,233	-27	def
AnnTaylor Stores	NA	1.5	4.7	47.3	19.8*	5.7	NA	NA	434	6	1.3
TJX Cos	NA	26.3	13.7	44.8	16.1	13.7	NM	9.7	2,672	71	2.7
Medians	18.4	13.8	10.9	28.6	16.2	9.2	3.0	-0.5	1,288	26	2.7

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Cutting out the middleman

FOR MANY retailers, post-Thanksgiving Day sales disappointed. Sam Walton was not disappointed. All 16 checkout counters were jammed the day after Thanksgiving at the Wal-Mart store in Kingsport, Tenn. The Christmas shopping season was in full swing, with a banner proclaiming "The Wal-Mart price—'Tis the reason you'll be jolly." Several happy women swarmed around a bin of Bill Blass pantyhose, on sale for $1.96. For Wal-Mart as a whole, same-store sales were up 11% for the ten months ending Nov. 30.

When Walton started Wal-Mart Stores in sleepy Rogers, Ark. in 1962, the absence of wholesalers in small towns obliged him to develop a distribution system. Today Wal-Mart has 20 highly automated centers supplying about 80% of what its 1,683 stores sell (the rest comes from wholesalers or manufacturers, directly to the stores). To move these goods, Wal-Mart operates a fleet of 1,973 trucks.

"We are agents for our customers," says David Glass, 56, Wal-Mart's president and chief executive officer. "We want to sell them what they want to buy, and the name of the game is who can most efficiently deliver that merchandise from raw materials to the customer."

Its well-oiled distribution system enables Wal-Mart to cut out the middlemen for a growing portion of its merchandise. Instead of wholesalers' sending small shipments to each store, the manufacturer ships, say, 25 truckloads of an item to one of the Wal-Mart distribution centers. There the merchandise is sorted mechanically and sent to the individual stores.

David Glass of Wal-Mart
A company forced to be efficient from the start.

Besides eliminating the wholesalers' markups and reducing its cost-of-sales line, this allows Wal-Mart to work closely with manufacturers. A manufacturer like Gitano can access Wal-Mart's point of sale terminals to track sales of its jeans. This way, Gitano knows when to crank up production to resupply a Wal-Mart store before the store runs out of merchandise. Wal-Mart's Electronic Data Interchange system enables it to electronically place orders with a manufacturer.

But Wal-Mart goes further. It works with its suppliers and with its suppliers' suppliers. For example, with a company like Gitano it will work with the fabricmaker and even the fiber producer. "We just tie everyone into the loop," says Glass. "You won't call the apparel manufacturer and have them say, 'Gosh, we'd make that for you, but we don't have any fabric.' "

The ability to do all this costs money. Over the past five years the company has invested $600 million in inventory management equipment and other technology. A satellite communications system allows it to track inventory and handle accounting and payments. It even allows employees to transmit their suggestions to their store manager, who, in turn, might send the suggestion on to headquarters. Glass claims that Wal-Mart gets most of its ideas at the grass roots level.

While most retailers are cautiously husbanding resources, Wal-Mart plans to add about 150 stores in 1992. This is likely to be bad news for East and West Coast retailers like Caldor and Ames, because a good part of this expansion will be directed at them. –Z.S.

modernization program. It improved its inventory control system by installing point-of-sale equipment in all of its stores and transferred all of its merchandising to centralized locations. Kmart's sales for the nine months ended in October were up almost 8%, to $24 billion, while net income increased 7%, to $380 million. Going into the all-important Christmas quarter, same-store sales in November, including the traditional Thanksgiving weekend shopping rush, were up 0.6%.

But what of those companies burdened with debt or hindered by weak organization? Federated Department Stores, which was brought down by the collapse of Robert Campeau's empire, is expected to emerge from bankruptcy in February as a publicly traded company, but Federated will have a tough time catching up if it doesn't have the necessary funds to invest in new technology or upgrade its stores. Both Hills Department Stores and Carter Hawley Hale filed for Chapter 11 in February 1991.

Carl Steidtmann, chief economist at Management Horizons, a division of Price Waterhouse, notes that retailers

Retailing	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Consumer electronics											
Intelligent Electron	33.2	26.4	27.6	10.2	137.5	26.4	111.0*	33.3	1,709	38	2.2
Circuit City Stores	26.0	14.8	12.7	19.1	27.4	11.6	22.5	-30.8	2,519	55	2.2
MicroAge	17.8	9.5	10.3	17.6	39.0	26.4	NM	-48.6	787	3	0.4
Tandy	16.8	10.7	10.0	14.3	8.7	-1.6	4.7	-29.3	4,530	196	4.3
InterTAN	11.4	3.9	4.0	14.5	11.8	-3.0	-25.4†	-61.1	679	9	1.3
Best Buy Co	8.8	12.4	10.2	11.7	38.8	23.4	NM	18.1	746	7	1.0
Egghead	3.6	14.6	14.7	0.6	58.7	19.9	NM	197.1	594	17	2.9
Highland Superstores	def	def	def	155.0	11.3	-13.9	NM	D-D	785	-89	def
Medians	14.1	11.6	10.2	14.4	33.1	15.7	NM	-30.0	786	13	1.7
Drug & discount											
Pamida Holdings	56.7*	def	6.6	95.9	7.0	4.4	NM	P-D	670	-2	def
Wal-Mart Stores	35.0	27.7	21.4	33.1	30.3	33.8	32.1	19.3	40,748	1,488	3.7
Walgreen	20.8	20.5	16.5	9.9	12.7	11.3	15.1	11.7	6,733	195	2.9
Arbor Drugs	19.9	20.3	15.7	20.7	20.4	18.9	19.6	14.8	406	13	3.2
Drug Emporium	19.3	1.3	3.9	51.9	31.8	28.0	31.4*	-90.5	699	1	0.1
Pic 'N' Save	18.5	14.9	11.5	31.0	14.3	2.5	-10.5	111.4	524	30	5.7
Rite Aid	18.1	14.6	10.3	34.5	18.3	8.9	9.1	8.4	3,599	115	3.2
Dayton Hudson	17.9	13.9	8.4	58.6	11.7	9.6	14.4	-18.5	15,731	344	2.2
Longs Drug Stores	17.6	14.1	13.3	0.0	9.3	6.2	13.3	-7.6	2,398	57	2.4
Family Dollar Stores	17.2	20.4	19.0	0.0	15.3	13.1	5.6	39.4	989	40	4.1
Woolworth	16.7	9.6	9.0	9.2	10.6	3.4	13.4	-35.5	9,842	224	2.3
Fay's	16.3	11.8	9.7	54.0	8.4	22.4	39.3	-15.7	788	9	1.2
Kmart	13.8	14.3	11.3	38.0	7.4	5.3	12.9	129.9	34,037	782	2.3
Genovese Drug Stores	13.5	16.6	11.8	39.8	13.5	3.4	12.8	94.9	444	7	1.5
Dollar General	9.9	13.5	12.8	22.0	2.5	10.8	NM	37.2	713	18	2.5
Venture Stores	9.9	43.3	21.8	45.6	7.0	4.4	NM	16.9	1,480	39	2.7
Fred Meyer	9.8	12.3	8.7	46.1	9.8	6.2	6.0	D-P	2,593	38	1.5
Medco Containment	8.9	16.3	15.6	0.4	56.2	33.7	41.6	500.0+	1,442	70	4.9
Consolidated Stores	7.6	6.7	7.4	27.5	25.5	8.9	-19.7	D-P	734	10	1.4
Pacific Enterprises	6.7	9.4	6.5	37.7	7.0	-2.4	NM	D-P	6,763	189	2.8
Big B	5.6	8.5	7.1	31.2	22.2	5.3	NM	D-P	484	6	1.2
Rose's Stores	0.5	def	def	39.9	8.4	-4.8	NM	P-D	1,466	-34	def
Jamesway	def	def	def	50.7	11.5	-3.8	NM	D-D	909	-20	def
Perry Drug Stores	def	0.7	4.7	71.4	3.4	-3.3	NM	-94.6	637	0	0.1
Ames Dept Stores	def	NE	def	216.8	23.0	-25.8	NM	D-D	3,122	-304	def
Hills Dept Stores	def	NE	def	198.9	9.7	-17.6	NM	D-D	1,803	-254	def
Caldor	NA	7.9	6.8	68.3	5.7*	5.2	NA	D-P	1,837	2	0.1
Medians	13.7	12.3	9.0	38.0	11.5	5.3	5.8	14.8	1,466	18	2.2

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.
Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

have shed over 350,000 jobs since July 1990. This and other cost-cutting moves have created considerable operating leverage for several companies. Indeed, Steidtmann expects that overall retail sales will be flat or down when the 1991 books are closed, but profits will be up between 5% and 8%. Once revenues begin to increase, profits for some companies should grow dramatically.

Which companies are best positioned for the year ahead? If the economy remains relatively weak, cost-efficient discount stores such as Kmart, Wal-Mart, Walgreen and Dayton Hudson's Target Stores—and wholesale clubs like Price Co.—probably have the edge over department store chains like Macy's and Bloomingdale's. Wal-Mart and Price are now bringing their stores to consumers on the East and West coasts. "Wal-Mart really has established this tone throughout the industry and that's now taken hold in department stores," says Christine Fasano, a retail analyst with Donaldson, Lufkin & Jenrette. "Consumers have been well trained now [to wait for sales], and it's not easy for retailers to change that."

Retailing

Company	Profitability: Return on equity: 5-year average %	Profitability: Return on equity: latest 12 mos %	Profitability: Return on capital: latest 12 mos %	Profitability: Debt/capital %	Growth: Sales: 5-year average %	Growth: Sales: latest 12 mos %	Growth: Earnings per share: 5-year average %	Growth: Earnings per share: latest 12 mos %	Sales: latest 12 mos $mil	Net income: latest 12 mos $mil	Profit margin: latest 12 mos %
Home improvement											
Home Depot	27.2	27.8	19.0	13.7	40.1	37.6	63.5	33.3	4,846	223	4.6
Grossman's	12.1	def	2.5	32.4	-5.3	-0.1	NM	P-D	811	-2	def
Lowe's Cos	11.8	8.0	7.5	16.5	6.0	3.0	6.1	-26.5	2,933	55	1.9
Hechinger	10.7	5.8	5.4	26.7	25.3	11.8	NM	-26.1	1,559	27	1.7
Waban	NA	7.8	8.0	21.6	39.6	15.0	NA	0.0	2,681	23	0.9
Medians	11.9	7.8	7.5	21.6	25.3	11.8	NM	-26.1	2,681	27	1.7
Home shopping											
Lands' End	35.2	19.7	19.0	1.4	23.4	11.3	11.6	46.3	641	23	3.6
Blair	31.7	25.3	25.3	0.0	7.6	3.9	16.6	-8.2	488	33	6.7
Spiegel	21.1	8.8	6.9	63.1	19.1	7.7	25.0	-46.5	2,037	40	2.0
Service Merchandise	10.0	269.2	17.0	96.5	7.3	-0.6	27.6†	28.7	3,414	70	2.0
Home Shopping	7.0	def	1.6	52.9	37.9	7.0	NM	P-D	1,079	-10	def
QVC Network	5.0*	12.4	7.6	61.1	NM	10.0	NM	D-P	890	20	2.2
CUC International	4.1	NE	37.8	93.2	38.5	22.7	18.3	119.8	501	24	4.9
Horn & Hardart	def	NE	def	200.0	9.6	13.9	NM	D-D	606	-134	def
Medians	8.5	10.6	12.3	62.1	14.3	8.8	14.1	10.2	766	24	2.1
Specialty retailers											
Sotheby's Holdings	45.6	6.9	7.9	0.1	24.5	-46.6	58.3*	-83.0	248	22	9.0
Tiffany	40.4	19.6	18.3	20.9	25.2	9.3	41.3	-5.9	485	35	7.3
AutoZone	34.2*	47.0	30.4	3.2	24.4	21.8	78.2	70.1	818	44	5.4
Blockbuster	33.1	24.6	19.7	33.5	NM	36.3	84.4†	30.0	796	86	10.8
Jostens	33.0	23.1	20.5	9.3	9.1	7.6	7.7	3.9	860	64	7.5
Price Co	22.8	21.1	17.8	39.1	19.8	24.8	17.0	8.5	6,598	134	2.0
Toys 'R' Us	20.9	15.0	13.4	8.0	23.5	10.3	23.7	-4.5	5,683	312	5.5
Costco Wholesale	17.8	19.6	18.2	0.6	46.4	28.4	82.9	58.6	5,305	85	1.6
Smart & Final	16.1*	2.8	3.3	2.6	13.8*	NA	18.1*	NA	648	2	0.3
Getty Petroleum	15.2	def	def	56.8	NM	6.4	NM	P-D	1,231	-22	def
Pier 1 Imports	14.8	8.1	6.6	41.7	24.7	28.5	NM	-41.1	715	13	1.9
Pep Boys	13.8	10.3	7.5	43.2	17.9	9.3	8.7	-8.6	971	36	3.7
Office Depot	11.8†	7.5	6.3	6.5	162.1†	108.0	NM	-16.7	1,141	10	0.9
Town & Country	7.5	18.3	10.6	64.9	46.4	-15.2	NM	153.7	353	16	4.7
Dart Group	4.4	1.6	5.5	31.2	53.6	14.2	NM	-60.4	1,139	5	0.4
General Host	2.9	11.8	9.5	47.5	-3.5	0.5	NM	237.9	514	18	3.4
Lionel	0.3	def	def	56.9	12.7	-12.2	NM	D-D	382	-32	def
Child World	def	def	def	130.7	9.9	-13.8	NM	P-D	727	-217	def
Value City Dept	NA	NA	NA	15.5	17.4	9.0	NA	52.4	586	22	3.7
Medians	15.7	11.1	8.7	31.2	19.8	9.3	8.2	-5.2	796	22	3.4
Industry medians	14.0	10.5	9.3	32.4	13.5	7.7	4.5	-5.9	1,079	24	2.2
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

Railroads enjoyed one of their better years in 1991, but truckers weren't as lucky. Now the old foes are getting more serious about intermodal cooperation.

By Roula Khalaf

Railroads got a shot in the arm from a presidential emergency board set up in 1990 to mediate the dispute between railroads and their labor unions. Last January the board recommended wage increases of 10% spread over three years, in line with inflation but far below what the unions wanted. A brief strike ensued. But Congress responded by passing legislation that affirmed the board's recommendations.

Congress also reiterated the board's decision that individual railroads must negotiate agreements with unions over the number of crew members needed to run a train or face binding arbitration. Many railroads still operate with four-man crews—an engineer, a conductor and two brakemen. At the least, the industry wants to eliminate the second brakeman.

Veteran railroad analyst Isabel Benham, of Printon, Kane Research, says such a move could save the industry over $1 billion over a period of years. Up to now only Burlington Northern, Norfolk Southern and Illinois Central have reached such agreements with their unions.

Railroad stocks rallied in 1991 on the news of labor gains. This encouraged railroads to reduce debt on their

Transport	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Railroads											
Burlington Northern	20.5	def	def	53.2	3.5	-3.3	-6.2	P-D	4,531	-322	def
Union Pacific	13.4	1.4	2.5	36.8	NM	2.2	5.8†	-90.4	7,041	56	0.8
Norfolk Southern	10.8	10.5	6.4	15.1	3.9	-2.8	10.1	-6.5	4,471	501	11.2
CSX	10.3	11.4	6.7	30.2	3.2	6.1	13.7*	0.7	8,547	409	4.8
Consolidated Rail	6.8†	7.9	6.6	31.4	1.6	-3.2	-7.3	148.9	3,246	245	7.6
Kansas City Southern	4.2	9.9	8.2	32.8	1.4	17.3	NM	-23.0	581	41	7.1
Illinois Central	NA	42.9	14.1	50.9	-8.3	-3.4	NA	NA	537	59	11.0
Santa Fe Pacific	NA	3.6	5.1	46.4	1.6*	-0.7	NM	D-P	2,308	32	1.4
Medians	10.6	8.9	6.5	34.8	1.6	-1.8	-6.2	-6.5	3,859	58	6.0
Trucking & shipping											
Alexander & Baldwin	25.9	12.9	8.7	36.4	8.2	0.9	17.5	-19.5	710	88	12.3
JB Hunt Transport	21.8	14.6	8.9	38.0	34.9	25.7	12.3	-10.4	695	28	4.0
Roadway Services	13.6	15.5	14.6	0.0	14.1	7.3	10.7	17.7	3,082	121	3.9
Yellow Freight Sys	12.0	7.6	6.4	19.0	8.8	2.8	NM	52.2	2,347	38	1.6
Carolina Freight	4.4	2.1	3.1	39.1	6.5	7.3	-39.3	D-P	762	3	0.4
Consol Freightways	3.9	def	def	40.4	18.3	1.3	NM	D-D	4,164	-36	def
American President	0.3	11.7	7.6	44.2	14.6	8.4	NM	D-P	2,414	56	2.3
Preston	def	1.0	4.2	53.8	13.3	-12.9	NM	D-P	570	1	0.2
Medians	8.2	9.6	7.0	38.6	13.7	5.0	NM	P-D	1,555	33	2.0
Air freight											
Air Express Intl	31.5	24.1	18.9	32.0	14.7	7.5	23.9*	14.6	593	13	2.1
Harper Group	15.4	14.2	12.0	16.3	22.2	7.6	17.8	5.1	457	19	4.2
Airborne Freight	12.3	9.1	9.1	39.7	20.5	17.6	16.4	-32.7	1,325	29	2.2
Federal Express	6.6	def	2.3	50.1	25.9	4.3	NM	P-D	7,598	-20	def
Pittston	2.5	13.0	11.1	11.9	9.2	9.3	NM	377.1	1,929	63	3.2
Medians	12.3	13.0	11.1	32.0	20.5	7.6	16.4	5.1	1,325	19	2.2
Industry medians	10.8	9.9	6.7	36.8	8.8	4.3	-6.7	2.9	2,308	38	2.3
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

balance sheets. Last May, for example, Illinois Central sold 4 million common shares for $75.5 million.

Meanwhile, cargo volumes were down nearly 5% for the first 45 weeks of the year, led by losses in autos, lumber and metallurgical coke. But next year should be better. The 1990 Clean Air Act, which calls for the use of lower-sulfur coal, should boost traffic for lines like Burlington Northern and Union Pacific. Thanks to chaos in the old Soviet Union, U.S. grain shipments should also improve.

The railroad industry scored another gain on Capitol Hill in 1991, this one at the expense of the truckers. Railroad lobbyists succeeded in inserting provisions in the House and Senate highway bills to freeze the proliferation of the truckers' double 48-foot and triple 28-foot trailers on the nation's highways. These behemoths, now running in 17 states, will not be allowed in other states.

This is bad news for the truckers, who don't need bad news. Their operating margins were under intense pressure in 1991. With depressed markets for durable goods, the industry was unable to pass along rate increases.

Perhaps in response to hard times, the trucking industry has gotten more serious about an old idea: "intermodalism," or moving trailers and containers by a combination of transport modes. J.B. Hunt and Santa Fe Pacific, for example, expanded their intermodal operations in 1991. Hunt trucks freight to Santa Fe's railhead in Chicago for transport to Los Angeles, where another Hunt truck picks up the container again for delivery both locally and to neighboring states.

The air freight industry also felt the sting of the recession. Many customers were willing to wait a few more hours or even an extra day for packages. In response, both Federal Express and Airborne Freight expanded their "deferred" services.

In the shipping industry, American President Cos., which operates container ships in the Pacific, benefited from moving military freight to the Middle East during the Gulf war and moving this equipment back to the U.S. after the war ended. But Alexander & Baldwin, which operates ships between Hawaii and the U.S. Pacific Coast, was hurt by the war and the recession, which led to a steep drop in tourism on the island. ■

"The enemy was us"

IN THE mid-1980s Union Pacific Railroad, the nation's second-largest railroad, was running on the wrong track. Customers were alienated, shareholders were angry and truckers were taking away sales.

This began to change in 1986 when former Secretary of Transportation Drew Lewis was hired to run the railroad. Since 1986 Lewis, who quickly moved up to become the parent's chairman, has turned the railroad into one of America's most efficient lines.

Recognizing that low-density lines bring little profit and are best left to short-haul operators that use nonunion labor, Lewis shed nearly 3,000 miles of Union Pacific's unprofitable track.

Of equal importance, Lewis cut management ranks by half, wiping out 800 jobs in the process. He also got tough with the unions. The number of Union Pacific's rail employees fell from 43,000 in 1984 to 29,500 last year. Union Pacific has three-member crews on 90% of its runs. The railroad has been negotiating with labor to cut yet another crew member.

"When we asked our frontline managers what was preventing them from being customer-responsive, they said the bureaucracy was standing in the way," explains Richard Davidson, a Union Pacific veteran who took over day-to-day railroad operations last year. "It was like we found the enemy and the enemy was us." After weeding out redundant managers and workers, Davidson can now brag of an 85% customer satisfaction level.

Lewis achieved much of this success by centralizing operations and using computer technology. Back in the mid-1980s the railroad had thousands of agents scattered around the western U.S. to take customer orders and handle billing. There were many more yard offices that acted as middlemen between headquarters and train crews. Lewis moved all these positions to a customer-service center in St. Louis.

Ed Reschke

Union Pacific's Richard Davidson **Weeding out redundancy.**

Lewis also consolidated ten regional train dispatch centers into a war room in Omaha, equipped with two huge electronic panoramas, each stretching the length of a football field. This setup can follow, on screen, the movement of more than 700 trains across 19,000 miles of track. The railroad is also spending $90 million to install computers on trains.

"Prior to Drew Lewis' arrival, our holding company thought the railroad had lost its sex appeal," says Davidson. "Five years later, it has recognized that the railroad is really the crown jewel of the corporation." –R.K. ■

The words "airline" and "terminal" are often linked. In the 1990s they have a new, and painful, association.

By William Heuslein

Hard on the heels of a record $3.9 billion loss in 1990, the airlines lost another $2 billion last year—bringing the two-year deficit close to a staggering $6 billion.

The grinding industry recession—driven by too many seats and too few travelers—has proved fatal for a number of carriers. Eastern, Pan Am and Midway all stopped flying last year. Continental and America West remain under Chapter 11 bankruptcy protection. Carl Icahn's heavily indebted TWA is preparing to file a prepackaged bankruptcy by early 1992. But at the same time, TWA is flirting with a merger with Continental.

Midway, a product of airline deregulation, failed to survive after it couldn't come to final terms for its acquisition by NWA, the parent of Northwest Airlines. Privately held and financially strapped Northwest also couldn't consummate a plan to take over the operation of the still-for-sale Trump Shuttle. The shutdown of Pan Am put 7,500 people out of work and closed the books on a pioneer in U.S. aviation history.

In the months before Pan Am collapsed, would-be savior Delta paid over $400 million for Pan Am's Northeast shuttle, its remaining transatlantic routes, its Frankfurt hub and its European operations. Delta was also supposed to have a 45% stake in a reorganized Pan Am. But after providing Pan Am with $115 million in emergency operating cash, Delta abruptly turned off the faucet in December and pulled away from its financing deal.

Following Pan Am's shutdown, its JFK-to-Mexico City route was auctioned off to Delta for $25 million. Pan Am's last important assets, the remaining Latin American route authorities, were won by UAL's United Airlines, which came up with a bid of $135 million in cash. (The deals are still subject to government approval.)

Does the shakeout mean a turnaround is coming? "This was a purging process that was necessary to get rid of excesses in the system," says industry analyst Kevin Murphy of Morgan Stanley. Certainly Delta, United and

Travel	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Airlines											
UAL	25.6	def	def	41.1	9.0	9.0	NM	P-D	11,556	-203	def
Southwest Airlines	9.7	2.2	2.3	37.2	11.2	10.8	8.0	-76.9	1,264	13	1.1
Alaska Air Group	9.2	def	2.0	55.9	20.6	8.2	NM	P-D	1,097	1	0.1
AMR	8.5	def	def	54.8	15.7	10.5	NM	P-D	12,485	-330	def
Delta Air Lines	6.1	def	def	32.5	16.0	10.4	NM	P-D	9,526	-260	def
USAir Group	def	def	def	50.4	36.5	1.8	NM	D-D	6,509	-528	def
America West Airlines	def	def	def	106.8	41.3	15.1	NM	D-D	1,436	-224	def
Continental Airlines	def	NE	def	NE	22.4	-15.6	NM	D-D	5,552	-2,555	def
Medians	7.3	def	def	45.7	18.3	9.7	NM	P-D	6,031	-242	-2.7
Hotels & gaming											
Circus Circus	42.1	53.0	16.1	54.5	15.9	25.3	27.3	32.8	795	99	12.5
Carnival Cruise Lines	34.1	20.7	12.1	44.0	35.1	13.9	22.3	2.6	1,505	216	14.4
Caesars World	22.5	20.3	13.7	48.4	5.1	2.9	7.6	73.0	906	58	6.5
Marriott	19.1	0.2	4.7	77.3	12.6	6.8	-11.9	-99.0	8,143	1	0.0
Hilton Hotels	14.9	8.9	6.6	34.0	9.8	10.1	3.4	-25.1	1,117	82	7.3
Mirage	12.9	16.8	8.7	73.8	NM	17.3	NM	-14.0	894	27	3.0
Aztar	5.5	0.2	3.4	34.2	-5.4	0.7	NM	-99.1	486	2	0.4
Bally Manufacturing	def	def	def	76.0	8.8	-16.4	NM	D-D	1,724	-221	def
Promus Cos	NA	4.4	5.2	66.3	5.2	2.7	NA	NA	1,019	12	1.2
Medians	17.0	8.9	6.6	54.5	8.8	6.8	-4.3	-19.5	1,019	27	3.0
Industry medians	9.4	0.2	2.3	50.4	12.6	9.0	NM	P-D	1,436	1	0.1
All-industry medians	13.2	9.9	7.6	32.4	11.3	3.7	4.5	-5.9	1,436	40	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. *Four-year average. †Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

American have all been able to expand their international operations. But Samuel Buttrick, an analyst at Kidder, Peabody, warns that while survivors are now in a better position to face heavy competition from foreign carriers, many of which are government subsidized, investors shouldn't get carried away. "Moving from an industry that competes on a national basis to one that competes on a global basis should not necessarily be viewed as a competitive shift that will produce windfall profits," he says.

How about the hotel business? It's feeling the grips of the recession and business travel cutbacks, too. The industry is battling overcapacity, collapsing property values, high fixed operating costs and hefty debt service.

Gambling hasn't been left unscathed, either. Revenue growth in Las Vegas last year was half of the 1990 pace. More casino operators, such as Stephen Wynn's Mirage Resorts and Kirk Kerkorian's MGM Grand, are getting into family resorts, theme-park-like amenities and casinos for low- and middle-income gamblers—a market first identified by Circus Circus Enterprises. With more revenue-hungry states looking at legalizing gambling, this could be a timely move for the Nevada casino operators. ■

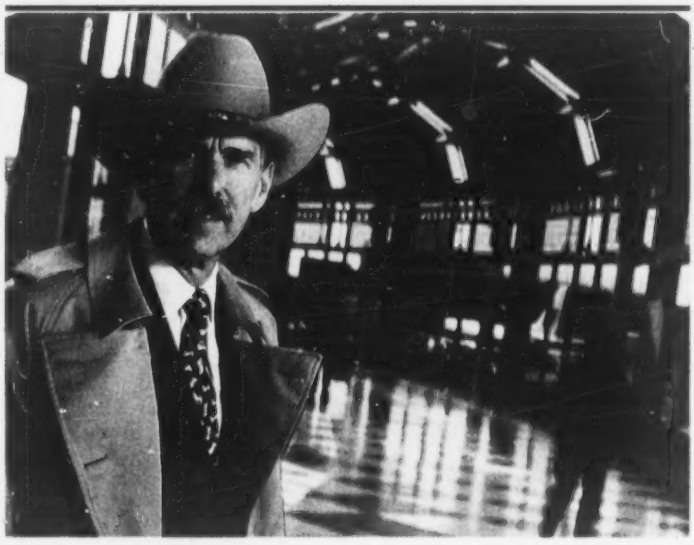
Managing for the long haul

HOW DOES an airline become more efficient than its competitors? One way is with new, fuel-sipping aircraft. Chicago-based UAL, the parent of United Airlines, has a four-year, $15.8 billion spending program in place—with 223 fuel-efficient Boeing planes on order. As the decade progresses this could help United close the gap with American (AMR), which has decided to scale back its own ambitious capital-spending program because of lower profits.

At the moment profits are elusive for United as well: The company expects record losses in 1991. Matters are not helped by the fact that United is up against two Chapter 11 carriers—Continental and America West—which have resorted to discount pricing.

Despite these problems, Chairman and Chief Executive Stephen Wolf and Chief Financial Officer John Pope haven't backed down on their plan to make United a global leader. It still has a respectable balance sheet; its debt-to-capital of 41% is below the industry average. And there's a nest egg of $1.3 billion in cash, making it possible for Wolf and Pope to build an efficient international route structure.

The core routes in each of United's international divisions—the Pacific, the Atlantic and, soon, Latin America—were once operated by Pan Am. Remember that Pan Am's dominant problem was that it had an entirely insufficient domestic route structure to feed its international network. United doesn't suffer from that.



Stephen Wolf, UAL Corp. chief executive **He's facing record losses but still snatching up choice assets from weaker carriers.**

Many of the new assets have come to UAL at bargain prices. Its acquisition cost of Pan Am's routes to London's Heathrow ($290 million) was lower than what Dallas-Fort Worth-based American paid for TWA's Heathrow routes ($445 million). The same holds true for United's recent $135 million winning bid for Pan Am's Latin American route system ($100 million below United's offer last summer for the operations). In contrast, AMR paid $425 million in 1990 to acquire Eastern's Latin routes.

On the domestic front, UAL recently proposed a $76 million offer for Air Wis Services (Air Wisconsin), which would become the first UAL-owned commuter carrier in its network of four feeder lines. The goal? To have one seamless airline that can feed in customers from small-town airports such as Oshkosh and Cedar Rapids and take them as far as Seattle or Tokyo.

UAL and its management survived the collapse of the corporate takeover attempt in 1990 with little damage to reputation and credibility. These days relative labor harmony has replaced a contentious atmosphere.

Now, with most of UAL's distractions left behind, Wolf and Pope are managing the airline for the long haul. –W.H. ■

Wall Street had a good year in 1991: Through mid-December the S&P 500 gained 14%. But over the last five years, half the stocks in this survey did not do as well as risk-free Treasurys.

By Timothy Dodman

Over the past five years, the FORBES universe of 1,180 industry survey stocks (excluding Biotech stocks) fared only slightly better than the market, averaging a 58% increase, compared with a 56% gain in the S&P 500 since Dec. 31, 1986.

Plugged into our average performance is the 1,073% gain for Jacobs Engineering and Savin's 97% loss. The median stock in our survey, 556th-ranked American Bankers Insurance, gained only 26% over the past five years. Which means that, excluding dividends, more than half the stocks followed in this issue didn't do as well as risk-free T bills, which returned 41% over the same period.

How will the market do this year? Last year the bellwether S&P 500 rose about 14% through mid-December. That increase came despite consensus forecasts which showed that 1991 earnings of the S&P 500 would be off about 9%. This year profits for the S&P 500 are expected to rise 31%, according to the consensus earnings estimates provided by the Institutional Brokers Estimate System. Does that mean hefty market gains?

Joseph Battipaglia, director of research at Gruntal & Co., thinks those earnings estimates are too optimistic. But he also thinks that in the long run management's response to the recession and the slow recovery may be beneficial. Why? Battipaglia notes that corporations took advantage of a receptive stock market last year to offer additional shares to the public. This strengthened balance sheets and reduced financial leverage. Also, companies have been paring staff and cutting capacity. He thinks growth will remain sluggish through the first half of 1992, but once the economy starts to pick up steam, the increased earnings leverage should boost profits—and the market.

With a 1,600% five-year price gain, U.S. Surgical, a member of the top-ranked health care industry, is the best-performing stock in this year's survey. Based in Norwalk, Conn., U.S. Surgical has more than 70% of the $560 million (sales) surgical stapler market. U.S. Surgical was on the FORBES list of best small companies in America three times in the 1980s. As recently as last year the company—which now has sales of $755 million—was too small to qualify for this survey of larger U.S. corporations.

Another big winner was Home Depot, the chain of warehouse-style home improvement centers. Can Home Depot continue to count on do-it-yourselfers to keep its stock on Wall Street's top shelf? All we can report is that a few security analysts are in sharp disagreement about the company's net worth.

As was the case last year, a good number of the worst-performing stocks are in the financial services industry. HomeFed and CalFed both lost more than 90% during the past five years, while American Capital, off 98%, is the worst performer in this survey.

In order to be ranked in the following table, a firm must be publicly traded as of Dec. 30, 1988. Three-year price histories are footnoted "b," and four-year histories are footnoted with an "a." Companies that underwent a major merger or reorganization since 1986 are not ranked if the event significantly affected stockholders' equity. ■

The best companies of 1986-91

Company	5-year price change	Recent price
US Surgical	1,599%	94
Home Depot	1,560	58⅝
Blockbuster	1,414	11⅛
Novell	1,356	46⅞
Stewart & Stevenson	1,222	54
Microsoft	1,100	96½
Jacobs Engineering	1,073	24
Conseco	956	59⅜
Thorn Apple Valley	914	35½
NIKE	868	56⅞

Note: Except as indicated, price changes are from Dec. 31, 1986 to Nov. 20, 1991. b: Three-year price change.

The worst companies of 1986-91

Company	5-year price change	Recent price
American Capital	-98%	⅛
HomeFed	-98	½
Sudbury	-97	¼
Savin	-97	⅛
MLX	-97	⅛
MAI Systems	-97	⅜
Finevest Foods	-97b	¼
Eagle-Picher Inds	-97	1¼
Continental Airlines	-96	1⅜
CalFed	-96	1⅜

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
869	AAR Corp	-20.6	12⅜	1.30	3.9
130	Abbott Laboratories	154.2	58	2.96	1.7
412	Acme Steel	51.9	15	1.24	0.0
624	Adia Services	16.4	17¾	1.40	0.9
796	Advanced Micro	-7.3	12¾	1.15	0.0
89	ADVO-System	198.2	20⅞	1.33	0.0
918	Aetna Life & Cas	-33.0	37¾	5.56	7.3
NR	Affiliated Pubs	NA	8	0.25	3.0
922	HF Ahmanson	-33.5	14⅜	2.30	6.1
NR	Air & Water Tech	NA	18⅞	0.64	0.0
249	Air Express Intl	95.8	17⅝	1.82	0.9
254	Air Prods & Chems	92.5	67⅝	4.68	2.3
485	Airborne Freight	38.1	20⅝	2.13	1.5
NR	Akzo	NA	35¼	4.36	4.8
745	Alaska Air Group	0.0	20	1.76	1.0
576	Albany International	22.6a	16¼	1.21	2.2
106	Alberto-Culver	176.9	27	1.39	0.8
67	Albertson's	239.5	36½	2.27	1.5
375	Alcan Aluminium	59.3	20	0.69	3.0
384	Alco Standard	57.6	33	2.53	2.8
895	Alexander & Alexander	-25.5	19¾	1.29	5.1
639	Alexander & Baldwin	14.4	25¾	2.23	3.4
894	Alexander's	-24.7	29¾	NA	0.0
359	Alleghany	62.8	99½	8.32	0.0
470	Allegheny Ludlum	40.9ac	23⅛	2.31	3.8
745	Allegheny Power	0.0	44¼	3.77	7.1
524	Allen Group	30.2	20½	1.86	0.2
NR	Allergan	NA	21⅛	1.54	1.7
NR	Alliant Techsystems	NA	21⅞	4.66	0.0
1091	Allied Products	-89.4	3½	-0.24	0.0
767	Allied-Signal	-2.5	39⅛	3.62	2.6
206	Alltel	110.7	36⅞	2.65	4.0
313	Alcoa	72.0	58¼	5.06	3.1
1080	AM International	-84.3	1	0.05	0.0
383	AMAX	57.7	19⅛	1.20	4.2
971	AMC Entertainment	-44.3	4⅞	0.16	0.0
649	Amdahl	13.4	13¼	1.41	0.8
180	Amerada Hess	119.5	52⅛	3.08	1.2
1081	America West Airlines	-84.6	1½	-0.93	0.0
556	American Bankers	25.9	17⅝	2.44	3.4
280	American Brands	82.4	38¾	4.43	4.5
381	American Building	58.5	33⅞	NA	2.8
1113	American Capital	-98.4	1/16	NA	0.0
441	American Cyanamid	46.1	56⅞	4.59	2.6
660	American Electric	12.3	30⅞	2.92	7.8
925	American Express	-33.8	18¾	2.49	5.3
227	American Family	101.0	26⅛	2.07	1.5
689	American General	7.8	39¾	4.57	5.0
479	American Greetings	39.5	36⅝	3.17	2.1
257	American Home Prods	91.5	73⅜	4.76	3.5
335	American Intl Group	67.7	82	7.83	0.6
755	American Maize	-0.6	19⅜	2.50	3.3
NR	American Medical	NA	8¾	NA	0.0
818	American Natl Ins	-10.4	36¾	4.09	5.1
155	American Oil & Gas	140.0	12	0.76	0.0
471	American President	40.7	36¾	3.83	1.6
687	American Stores	8.5	29½	3.45	2.4
442	American Tel & Tel	46.0	36½	2.96	3.6
636	American Water Works	15.2	23¼	2.27	3.7
497	Ameritech	35.8	60	4.82	5.7
388	Ameritrust	56.8	29½	1.96	2.2
626	Ameron	16.2	35	NA	3.7
1101	Ames Dept Stores	-95.2	1⅛	NA	0.0
775	Ametek	-4.3	12½	1.04	5.4
414	Amoco	51.7	49½	3.76	4.4
454	AMP	42.9	51⅝	2.96	2.8

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
663	AMR	11.7	59⅞	4.76	0.0
743	AmSouth Bancorp	0.4	31⅝	3.55	4.6
791	Anacomp	-6.7	3½	0.50	0.0
1005	Analog Devices	-52.8	7⅜	0.77	0.0
738	Anchor Bancorp	1.3a	5	NA	0.0
469	Angelica	41.1	33⅞	2.82	2.6
225	Anheuser-Busch Cos	101.4	52⅜	3.70	2.1
NR	AnnTaylor Stores	NA	16⅛	1.48	0.0
489	Aon	37.4	36¼	4.08	4.4
438	Apogee Enterprises	47.1	12½	NA	2.1
140	Apple Computer	149.4	50½	4.13	1.0
871	Applied Magnetics	-20.6	5⅜	0.05	0.0
133	Applied Materials	152.6	24	1.95	0.0
347	Applied Power	65.6a	13¼	1.20	0.9
109	Arbor Drugs	173.9	21	1.01	0.7
101	Archer Daniels	181.3	27	1.76	0.4
419	Arden Group	50.2	40	NA	0.0
56	Argonaut Group	264.3	25½	3.42	2.7
873	Arkla	-21.1	15	1.17	7.2
814	Armco	-9.8	4⅜	0.39	0.0
753	Armstrong World Inds	-0.4	29¾	2.34	4.0
172	Arrow Electronics	128.6	14	1.25	0.0
892	Arvin Industries	-24.6	21⅛	1.74	3.2
385	Asarco	57.1	23⅜	2.00	6.8
717	Ashland Oil	3.6	29	3.24	3.4
122	AST Research	160.2	16¾	2.38	0.0
1059	Atari	-75.2	1¾	NA	0.0
1013	Guy F Atkinson	-54.2	6¾	0.20	0.0
416	Atlanta Gas Light	51.6	36	2.43	5.7
699	Atlantic Energy	6.0	39⅜	3.44	7.6
270	Atlantic Richfield	85.2	111⅛	8.84	4.9
203	Automatic Data	112.1	37⅜	1.82	1.1
NR	AutoZone	NA	49⅞	1.59	0.0
711	Avery Dennison	4.8	21⅜	1.44	3.7
770	Avnet	-3.4	24⅞	1.75	2.4
468	Avon Products	41.2	38⅛	3.45	3.7
1055	Avondale Industries	-73.2b	4⅛	-0.21	0.0
812	Aztar	-9.4	6	0.35	0.0
825	J Baker	-11.7	9⅛	1.38	0.7
424	Baker Hughes	49.5a	20⅜	1.52	2.3
774	Ball Corp	-4.3	33¾	2.74	3.6
1070	Bally Manufacturing	-80.4	3⅞	0.16	0.0
779	Baltimore G&E	-4.8	32¼	2.82	6.5
173	Banc One	127.5	43	3.50	2.7
194	Bancorp Hawaii	115.3	43½	4.45	2.8
123	Bandag	159.4	113	6.34	1.1
1023	Bank of Boston	-57.2	11⅜	0.77	0.0
880	Bank of New York	-21.9	30⅜	3.80	5.0
149	BankAmerica	143.6	35⅝	5.22	3.4
495	Bankers Trust NY	35.9	61½	7.88	4.1
426	Banta	49.3	26⅞	2.53	2.2
439	CR Bard	46.9	26⅜	1.37	1.8
579	Barnes Group	22.1	37¼	3.55	3.8
759	Barnett Banks	-1.2	30⅞	2.60	4.3
NR	Baroid	NA	5¾	0.46	3.5
790	Bassett Furniture Ind	-6.6	35¼	2.69	2.8
126	Bausch & Lomb	155.6	50	2.89	1.4
258	Baxter International	89.0	36⅜	2.35	2.0
993	BayBanks	-50.3	18⅝	0.82	0.0
511	Bear Stearns Cos	33.2	14⅞	1.78	4.0
529	Bearings	29.8	19¼	1.50	3.3
781	Beckman Instruments	-5.0b	16¾	1.57	1.7
566	Becton Dickinson	23.8	61⅞	5.41	1.9
509	Bell Atlantic	33.3	45	3.66	5.6
958	Bell Industries	-42.9	9¾	0.72	4.1
580	BellSouth	22.1	47	3.44	5.9

Note: Except as indicated, price changes are from Dec. 31, 1986 to Nov. 20, 1991. NR: Not ranked because of merger, spinoff, reorganization, new issue or conversion to stock company.
a: Four-year price change. b: Three-year price change. c: Does not reflect special cash dividend paid. NA: Not available.
Sources: Forbes; Media General; Institutional Brokers Estimate System, from IBES, Inc., via Lotus One Source.

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
680	AH Belo	9.3	27⅞	1.23	1.9
119	Bemis	162.8	37⅛	2.33	2.3
725	Beneficial Corp	2.9	57⅛	6.58	4.6
208	Bergen Brunswig	108.9	20⅛	1.62	2.0
403	WR Berkley	54.3	27	3.07	1.2
91	Berkshire Hathaway	195.2	8325	327.50	0.0
205	Best Buy Co	110.8	33⅜	1.52	0.0
248	Bethlehem Steel	96.0	12¼	1.57	3.3
103	Betz Laboratories	179.5	56¼	2.68	2.2
996	Beverly Enterprises	-51.1	8	0.59	0.0
686	Big B	8.6	12⅝	1.10	1.3
449	Bindley Western Inds	44.4	17⅞	1.32	0.3
393	Birmingham Steel	56.3	18¾	1.55	2.7
766	Black & Decker	-2.3	15⅞	1.36	2.5
404	Blair	54.3	45⅛	4.00	4.9
84	H&R Block	208.9	34¾	1.78	2.5
160	Block Drug	137.5	55⅞	NA	1.6
3	Blockbuster	1413.6	11⅛	0.75	0.0
1011	Blount	-53.1	5¾	NA	7.8
548	Boatmen's Bancshs	26.7	44½	4.44	4.9
415	Bob Evans Farms	51.6	20⅛	1.30	1.4
242	Boeing	97.5	44⅞	4.93	2.2
924	Boise Cascade	-33.8	23¾	-0.53	6.4
525	Borden	30.1	30½	2.60	3.7
824	Boston Edison	-11.7	22¾	2.06	6.9
929	Bowater	-34.2	20	1.26	6.0
655	Briggs & Stratton	12.8	39¾	3.09	4.0
34	Brinker Intl	336.8	45⅝	1.64	0.0
246	Bristol-Myers Squibb	97.0	81⅜	4.73	2.9
351	British Petroleum	64.7	71⅜	4.73	6.8
NR	Broad	NA	15¾	2.28	1.3
117	Broken Hill	164.0	46½	2.96	2.7
906	Brooke Group	-28.3a	5⅜	0.51	10.4
539	Brooklyn Union Gas	28.3	29½	2.46	6.4
293	Brown-Forman	78.5	72⅛	6.22	3.1
888	Brown Group	-23.6	26⅜	2.38	6.1
874	Browning-Ferris Inds	-21.2	17⅝	1.36	3.9
303	Bruno's	75.2	13¼	0.82	1.5
916	Brunswick	-32.8	11⅜	0.98	3.9
592	Burlington Coat	20.3	19¼	1.64	0.0
389	Burlington Northern	56.8b	36¼	3.24	3.3
588	Burlington Resources	21.1b	39½	1.79	1.8
1031	Butler Manufacturing	-61.0c	11½	0.74	0.0
311	Cablevision Systems	72.8	32⅝	-13.31	0.0
721	Cabot	3.3	31	2.91	3.4
360	Caesars World	62.5	30⅛	2.36	0.0
NR	Caldor	NA	14½	2.23	0.0
1104	CalFed	-95.9	1⅜	0.63	0.0
785	CalMat	-5.8	19⅛	1.51	3.3
133	Campbell Soup	152.6	36	3.83	1.6
613	C&S/Sovran	17.9	28⅞	2.43	5.4
428	Capital Cities/ABC	49.2	400	27.47	0.1
361	Capital Holding	62.4	49¾	6.42	2.4
40	Cardinal Distribution	319.6	30⅝	1.54	0.3
458	Carl Karcher	42.2	8	0.94	1.0
553	Carlisle Cos	26.4	37¼	3.13	3.4
277	Carnival Cruise Lines	83.3a	22	1.98	2.4
977	Carolina Freight	-45.4	19⅛	1.46	3.1
550	Carolina Power & Lt	26.5	48⅞	4.39	6.2
396	Carpenter Technology	56.0	48⅜	3.96	5.0
1076	Carter Hawley Hale	-82.4a	1½	0.12	0.0
118	Carter-Wallace	164.0	99	4.30	1.0
745	Casey's General Store	0.0	14⅜	1.00	0.8
464	AM Castle & Co	41.5	10	1.13	4.0
714	Caterpillar	4.4	41⅞	2.39	2.9
420	CBI Industries	50.0	28⅞	1.96	1.7

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
667	CBS	11.0	141	10.15	0.7
662	CDI	12.0	6¾	0.52	0.0
287	Centel	80.8	30	0.73	2.9
854	Centerior Energy	-17.0	18⅞	1.81	8.5
597	Centex	19.6	37⅜	3.19	1.1
433	Central & So West	48.2	50¾	4.16	5.8
813	Central Hudson G&E	-9.5	27¼	2.59	7.0
694	Central Maine Power	7.4	20	1.86	7.8
NR	Central Newspapers	NA	19½	1.13	2.1
521	Central Steel & Wire	30.4	600	NA	2.8
867	Champion Intl	-20.3	24½	1.01	0.8
713	Charming Shoppes	4.4	20¾	1.27	0.6
288	Charter	80.6	7	0.81	0.7
1004	Chase Manhattan	-52.3	17	3.08	7.1
889	Chemed	-23.7	25⅜	1.26	7.9
978	Chemical Banking	-45.6	23	3.30	4.3
562	Chesapeake	24.9	21	1.41	3.4
413	Chevron	51.8	68⅞	5.33	4.8
1095	Child World	-93.4	⅞	1.57	0.0
55	Chiquita Brands Intl	267.7	40¾	2.93	1.5
1012	Chrysler	-53.4	11½	0.63	5.2
179	Chubb	120.7	65⅜	6.44	2.3
175	Church & Dwight	126.2	29⅛	1.46	1.2
783	Cigna	-5.2	52⅛	5.53	5.8
804	CILcorp	-8.1	35½	3.06	6.9
241	Cincinnati Bell	97.6	20¼	1.12	4.0
264	Cincinnati Financial	87.2	111	9.34	2.5
457	Cincinnati G&E	42.3	37⅛	3.60	6.5
1034	Cincinnati Milacron	-62.3	7½	0.66	4.8
780	Cipsco	-4.9	26⅝	2.20	7.1
1103	Circle K	-95.7	¾	NA	0.0
467	Circuit City Stores	41.2	21⅝	1.82	0.5
59	Circus Circus	260.8	32¼	2.28	0.0
1028	Citicorp	-60.4	10½	1.09	0.0
583	Clark Equipment	21.5	24	0.92	0.0
423	Clorox	49.6	37⅞	2.88	4.1
654	CMS Energy	12.8	17⅝	2.08	2.7
344	CNA Financial	66.0	89¼	5.67	0.0
1030	Coachmen Industries	-60.6	4⅞	0.50	1.6
1024	Coast Savings Finl	-57.8	5⅜	1.52	0.0
255	Coastal Corp	92.1	29⅞	2.70	1.3
62	Coca-Cola	252.3	66½	2.86	1.4
956	Coca-Cola Bottling	-42.3	18¾	0.44	4.7
808	Coca-Cola Enterprises	-8.8	13	0.44	0.4
247	Colgate-Palmolive	96.9	40¼	2.91	2.6
1027	Columbia Gas System	-59.4	18⅜	2.25	0.0
199	Comcast	113.5	16¼	-0.99	0.9
466	Comdisco	41.3	22¼	2.52	1.3
156	Comerica	139.2	50½	5.38	3.7
286	Commerce Bcshs	81.2	31¼	3.35	2.4
965	Commerce Clearing	-43.4	17¼	0.97	4.1
1044	Commercial Federal	-67.9	5⅜	2.50	0.0
542	Commercial Intertech	27.6	16¾	NA	4.1
357	Commercial Metals	63.0	19¼	1.35	2.7
594	Commonwealth Ed	20.3	40¾	3.84	7.4
788	Commonwealth Energy	-6.3	35⅝	3.30	8.2
893	Commtron	-24.6	6½	1.00	0.0
584	Comsat	21.3	34⅛	3.20	4.1
111	Compaq Computer	167.5	25¾	2.94	0.0
493	Computer Associates	36.4	9⅜	1.04	1.1
376	Computer Sciences	59.2	67¼	4.97	0.0
167	ConAgra	133.2	29⅝	2.88	1.8
304	Conner Peripherals	74.6b	13¾	1.94	0.0
8	Conseco	955.6	59⅜	5.41	0.3
704	Consolidated Edison	5.6	24⅞	2.40	7.5
1025	Consol Freightways	-57.9	12⅝	1.04	0.0

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
535	Consol Natural Gas	28.7	42	2.66	4.5
476	Consolidated Papers	39.8	36	2.45	3.6
116	Consolidated Rail	164.3a	73	6.81	2.5
864	Consolidated Stores	-19.4	10⅞	0.56	0.0
437	Constar Intl	47.1	32	2.53	2.0
1105	Continental Airlines	-95.9	1⅜	-0.98	0.0
1017	Continental Bank	-55.2	9⅝	1.75	6.2
964	Continental Corp	-43.3	25⅜	0.26	10.2
1038	Control Data	-64.5	9⅜	0.97	0.0
150	Cooper Industries	142.9	50¼	3.53	2.3
18	Cooper Tire & Rubber	477.1	37⅞	2.11	0.7
857	Adolph Coors	-18.2	19⅝	1.61	2.5
565	CoreStates Financial	23.8	44¼	4.59	4.5
110	Corning	167.9	73½	3.78	1.4
15	Costco Wholesale	587.8	46	1.40	0.0
220	CPC International	103.5	80⅝	5.89	2.7
474	Crane	40.3b	21¾	2.01	3.4
75	Crawford & Co	223.7	27¼	1.20	1.3
960	Cray Research	-43.0	46⅛	4.49	0.0
935	Crestar Financial	-37.1	18	2.09	4.4
278	Crown Central Pet	82.7	23¾	3.18	3.4
137	Crown Cork & Seal	150.9	86¼	5.19	0.0
291	CRSS	80.0	8⅝	0.55	1.4
811	Crystal Brands	-9.2	16⅛	2.31	1.2
297	CSX	76.8	51½	4.65	3.0
NR	CUC International	NA	26	1.23	0.0
1003	Culbro	-52.3	18⅜	NA	4.4
910	Cummins Engine	-30.4	46¾	2.25	0.4
807	Curtice Burns Foods	-8.7	11⅞	0.85	5.4
878	Cyclops Industries	-21.8a	19¾	NA	0.0
252	Cyprus Minerals	93.9	21	1.84	3.8
839	Dairy Mart	-13.7	7¼	NA	0.0
886	Dana	-23.3	26¾	1.99	6.0
87	Danaher	205.0	18⅞	1.74	0.0
1016	Dart Group	-55.0	67	NA	0.2
991	Data General	-49.8	14⅞	2.15	0.0
1009	Datapoint	-52.9	3	NA	0.0
477	Dayton Hudson	39.7	59⅜	5.95	2.4
362	Dean Foods	62.2	30	2.21	1.9
190	Deere & Co	116.9	49⅝	3.37	4.0
745	Delchamps	0.0	21¾	1.20	2.0
183	Dell Computer	118.8b	21⅞	2.32	0.0
792	Delmarva Power & Lt	-6.8	20½	1.74	7.5
577	Delta Air Lines	22.3	58⅛	2.43	2.0
83	Delta Woodside Inds	208.9a	21⅜	2.01	1.4
703	Deluxe	5.7	37¼	2.53	3.4
218	Detroit Edison	103.8	33⅜	3.53	5.6
820	Dexter	-10.7	19⅞	1.70	4.4
488	Dial	37.5	42⅝	3.42	3.3
158	Diamond Shamrock	138.6a	20⅞	2.58	2.5
32	Dibrell Brothers	360.0	28¾	1.83	1.7
697	Diebold	6.8	48⅞	2.72	3.3
954	Digital Equipment	-42.2	60½	4.12	0.0
74	Dillard Dept Stores	224.8	123	7.18	0.2
1068	Dime Savings Bank FSB	-80.0	3⅜	0.08	0.0
142	Walt Disney	149.0	107⅜	6.29	0.7
1019	Dixie Yarns	-56.3	7⅞	0.68	2.5
266	Dole	86.4	35⅞	3.17	1.1
310	Dollar General	72.9	20⅝	1.10	1.0
976	Dominion Bankshares	-45.1	10½	1.01	4.2
544	Dominion Resources	27.4	56⅜	4.55	6.3
196	Donaldson	114.8	36⅜	2.79	1.5
400	RR Donnelley & Sons	55.1	47½	3.21	2.1
852	Douglas & Lomason	-16.9	16	NA	0.6
382	Dover	58.4	35¼	2.57	2.4
526	Dow Chemical	30.1	50¾	3.68	5.1
946	Dow Jones	-39.7	23½	1.31	3.2
472	DPL	40.4	23⅞	2.05	6.8
162	DQE	136.7	29	2.53	5.0
1033	Dravo	-61.9	7	1.01	0.0
215	Dresser Industries	103.9	19¾	1.46	3.0
876	Drug Emporium	-21.5b	6⅛	0.65	1.9
850	DSC Communications	-16.3	4⅞	0.23	0.0
364	El du Pont de Nemours	61.6	45¼	3.58	3.7
495	Duke Power	35.9	30¾	2.67	5.6
819	Dun & Bradstreet	-10.5	47⅛	3.14	4.6
NR	Duracell Intl	NA	26¼	1.31	0.0
125	Durr-Fillauer	155.6	22¾	1.63	1.2
536	DWG	28.6	3⅜	NA	0.0
955	Dynatech	-42.3	17¾	1.45	0.0
573	E-Systems	23.0	36¾	3.77	2.0
NR	Eagle Food Centers	NA	7¼	1.03	0.0
1106	Eagle-Picher Inds	-96.5	1¼	NA	0.0
776	Eastern Enterprises	-4.5	26¾	2.59	5.2
734	Eastman Kodak	1.6	46½	4.36	4.3
647	Eaton	13.6	55⅞	4.63	3.9
959	Echlin	-42.9	11⅛	0.88	6.3
571	Ecolab	23.4	28⅜	2.21	2.5
261	Edison Bros Stores	88.2	31⅞	3.66	3.5
234	AG Edwards	99.4	31⅛	2.95	1.8
411	EG&G	52.2	43	3.14	2.1
434	Egghead	47.8b	17	0.77	0.0
1064	El Paso Electric	-77.3	4¼	0.61	0.0
NR	Eljer Industries	NA	7⅜	1.50	0.0
332	Emerson Electric	68.4	47	3.12	2.9
1058	Emerson Radio	-75.0	2⅜	0.26	0.0
343	Engelhard	66.1	31	2.20	2.6
276	Enron	83.5	36¼	4.31	3.6
784	Enserch	-5.4	15⅜	1.03	5.2
200	Entergy	113.3	28	2.58	5.0
515	Equifax	32.6	14½	1.14	3.6
319	Equitable of Iowa	70.7	39¼	6.52	3.3
688	Equitable Resources	8.2	39½	3.20	3.9
919	ERLY Industries	-33.3	5⅛	NA	0.0
NR	ESCO Electronics	NA	6⅜	0.14	0.0
494	Ethyl	36.0	25½	2.07	2.4
941	Everex Systems	-38.5a	4	0.23	0.0
340	Exxon	66.5	58⅜	4.59	4.6
875	Fairchild	-21.4	5½	-1.15	0.0
307	Family Dollar Stores	73.1	29	1.66	1.5
530	Fay's	29.8	9¼	0.98	2.2
951	Federal Express	-41.6	36⅞	3.31	0.0
NR	Federal Home Loan Mtg	NA	99⅜	10.43	2.0
872	Federal-Mogul	-20.6	15⅞	1.09	5.8
41	Federal Natl Mortgage	318.7	56⅞	5.71	2.1
272	Federal Paper Board	84.7	25¾	2.67	3.9
42	Federal Signal	306.5	26⅞	1.56	2.0
124	Ferro	156.7	33⅜	2.44	1.9
108	FHP International	174.3	12	1.13	0.0
1020	Fieldcrest Cannon	-56.3	14⅜	1.10	0.0
86	Fifth Third Bancorp	205.4	61¾	3.92	1.9
653	Figgie Intl	12.8	20½	1.97	2.4
410	Fina	52.5	65¾	NA	4.9
1107	Finevest Foods	-96.6b	¼	NA	0.0
931	First American Corp	-36.4	16⅜	1.34	0.0
822	First American Finl	-11.3	10¾	0.80	3.7
800	First Bank System	-7.5	23⅛	2.34	3.5
NR	First Brands	NA	27⅝	2.74	0.1
845	First Chicago	-15.3	24¼	3.43	8.2
1099	First City Bncp Texas	-94.8b	1⅜	-6.75	0.0
847	First Fidelity Bncp	-15.4	29⅝	3.47	4.1
96	First Financial Mgmt	186.0	43⅛	3.42	0.2

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
948	First Interstate Bncp	-40.9	30¾	2.94	0.0
453	First Mississippi	43.1	9⅛	0.48	3.3
503	First of America Bank	34.5	28¼	3.12	4.5
314	First Security	71.4	26	2.87	3.5
603	First Tennessee Natl	19.1	36⅝	4.27	4.9
620	First Union	17.1	28¼	3.12	4.0
296	Firstar	77.1	42½	4.68	3.4
962	FirstFed Michigan	-43.2	13	2.40	0.0
NR	Fisher-Price	NA	30⅝	1.66	0.0
786	Fleet/Norstar Finl	-5.9	21⅞	1.66	3.7
513	Fleetwood Enterprises	33.0	33¾	2.71	2.6
706	Fleming Cos	5.4	36½	3.60	3.3
652	Florida Progress	12.9	44¾	3.58	6.1
843	Florida Rock Inds	-15.0	21¼	NA	2.4
840	Flowers Industries	-13.7	13⅞	0.95	5.0
79	Fluor	218.5	36⅝	2.24	0.9
282	FMC	82.0	46⅞	5.03	0.0
77	Food Lion	222.4	19¾	0.77	0.8
728	Foodarama Supermkts	2.3	16½	NA	0.0
836	Ford Motor	-13.3	24⅜	1.62	6.6
981	Foremost Corp of Amer	-46.4c	20½	2.07	5.3
302	Foster Wheeler	75.2	23	1.55	2.3
NR	Foundation Health	NA	26	2.37	0.0
673	FPL Group	10.3	34⅞	2.82	6.9
174	Freeport-McMoRan	127.4	41½	1.97	6.0
431	Fremont General	48.8	24	3.85	3.7
NR	Fruehauf Trailer	NA	11	1.67	0.0
31	Fruit of the Loom	365.0a	23¼	1.77	0.0
193	HB Fuller	115.4	54⅛	3.38	1.1
945	Fuqua Industries	-39.6	13¾	1.13	2.6
732	Gannett	1.9	36¾	2.46	3.4
20	Gap	466.4	50⅝	1.80	0.6
401	GATX	54.6	26	3.49	4.6
1066	Gaylord Container	-78.6b	3⅛	-1.00	0.0
250	Geico	95.2	192¼	13.60	1.2
1018	GenCorp	-55.9	10⅞	1.07	5.5
851	General Cinema	-16.4	18½	0.98	2.8
901	General Dynamics	-27.5	49⅛	6.58	2.0
397	General Electric	55.8	67	5.69	3.0
980	General Host	-46.2	7⅛	NA	4.8
88	General Mills	204.3	65⅝	3.49	2.3
794	General Motors	-7.2	30⅝	1.89	5.2
37	General Motors EDS	333.1	53⅞	2.67	1.2
861	GM Hughes Electronics	-19.1	15⅝	1.68	4.6
182	General Public Utils	118.8	24¾	2.60	6.1
362	General Re	62.2	90	7.07	1.9
658	General Signal	12.4	49¾	4.02	3.6
356	Genesco	63.0	5½	0.55	0.0
NR	Geneva Steel	NA	19	2.28	0.0
917	Genlyte Group	-32.9b	5⅞	0.67	0.0
186	Genovese Drug Stores	118.2	14⅛	1.20	1.7
429	Genuine Parts	49.1	42⅞	2.94	3.4
NR	Georgia Gulf	NA	21½	2.24	0.0
532	Georgia-Pacific	29.4	47⅞	2.59	3.3
73	Gerber Products	225.1	67¼	4.31	2.1
856	Getty Petroleum	-18.2	13⅜	NA	2.1
318	Giant Food	71.0	21⅜	1.97	3.1
420	Gibson Greetings	50.0	24	2.85	1.5
64	Gillette	247.2	42¾	2.29	1.5
891	Gitano Group	-24.4b	15⅞	1.81	0.0
184	PH Glatfelter	118.5	53¼	3.72	2.3
46	Glaxo Holdings	295.2	30⅜	1.23	2.2
1073	GlenFed	-82.0	4⅜	1.62	0.0
232	Golden West Finl	100.0	34⅞	4.02	0.6
801	BF Goodrich	-7.9	39¼	2.48	5.6
635	Goodyear	15.2	48¼	3.05	0.8

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
547	Goulds Pumps	27.1	20½	1.68	3.9
377	WR Grace	59.2	38½	2.81	3.6
229	WW Grainger	100.0	43½	2.74	1.4
NR	Granite Construction	NA	21¾	2.03	0.9
393	Great American Mgmt	56.3	25	NA	0.0
633	Great A&P Tea	15.4	27⅛	3.09	2.9
21	Great Lakes Chemical	465.3	101¾	6.06	0.6
865	Gt Western Financial	-20.0	14⅞	2.37	5.9
508	Grey Advertising	33.7	123	NA	2.4
1039	Grossman's	-64.5	2¾	0.50	0.0
834	Grow Group	-13.1	9⅝	NA	0.0
899	Grumman	-27.0	17⅞	2.61	5.6
368	GTE	61.2	31⅜	2.21	5.4
664	Guilford Mills	11.6	27¾	2.33	2.9
516	Gulf States Utils	32.2	9¾	0.85	0.0
1068	Hadson	-80.0	1⅛	NA	0.0
1062	Frank B Hall	-77.2	3¼	-0.03	0.0
522	Halliburton	30.3	31¾	1.98	3.1
554	Handleman	26.3	16	1.36	2.5
987	Handy & Harman	-48.7	10⅛	1.00	2.0
280	MA Hanna	82.4	23¼	1.98	2.8
139	Hannaford Bros	150.4	42¼	2.65	1.2
631	Hanover Insurance	15.7	36¼	2.24	1.2
323	Hanson	70.1	18½	1.95	7.2
12	Harley-Davidson	609.5	37¼	3.44	0.0
939	Harman International	-38.0	7¾	0.80	0.0
575	Harnischfeger Inds	22.7	18¼	1.95	2.2
312	Harper Group	72.7	28½	2.21	0.9
870	Harris Corp	-20.6	23⅝	2.43	4.4
685	Harsco	8.8	27⅞	3.10	4.7
191	Hartford Steam Boiler	116.4	51	3.10	3.9
1047	Hartmarx	-69.9	8⅛	0.63	7.4
309	Hasbro	73.1	33¼	2.60	0.7
632	Hawaiian Electric	15.5	36⅜	2.83	6.2
907	Hechinger	-28.4	12	1.00	0.5
263	HJ Heinz	87.7	38	2.56	2.8
146	Helene Curtis Inds	145.0	35⅜	2.32	0.6
NR	Henley Group	NA	23¼	NA	0.0
849	Hercules	-15.6	42¾	3.38	5.2
406	Hershey Foods	53.8	37⅞	2.71	2.6
644	Hewlett-Packard	14.0	47¾	4.06	1.0
999	Hexcel	-51.7	11¾	0.92	3.7
1071	Hibernia	-80.5	2⅛	0.25	0.0
1097	Highland Superstores	-94.3	1	NA	0.0
131	Hillenbrand Inds	154.2	59¼	2.72	1.0
NR	Hillhaven	NA	2¼	0.01	0.0
1081	Hills Dept Stores	-84.6a	1	NA	0.0
604	Hilton Hotels	19.0	40	2.37	3.0
61	Holly Corp	252.7c	28	4.00	2.1
NR	Holnam	NA	4	NA	0.0
2	Home Depot	1560.3	58⅜	1.49	0.2
1043	Home Shopping	-67.0	6⅛	0.40	0.0
1112	HomeFed	-98.1	½	-2.60	0.0
561	Homestake Mining	25.1	15⅞	0.13	1.3
251	HON Industries	94.6	18	1.18	2.0
505	Honda Motor	34.1	23	1.36	0.9
245	Honeywell	97.0	58¼	5.18	2.8
152	Geo A Hormel	140.9	20⅝	1.33	1.5
1072	Horn & Hardart	-80.6	2⅜	NA	0.0
827	Houghton Mifflin	-12.0	28⅜	1.84	2.7
793	Household Intl	-7.1	44⅜	6.46	5.1
650	Houston Industries	13.3	39⅜	3.20	7.5
520	Howell	31.3	10½	1.27	3.0
228	Hubbell	100.9	52½	3.36	3.0
970	Hudson Foods	-44.3	8½	0.79	1.4
57	Huffy	263.8	19	1.63	1.6

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Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
908	Hughes Supply	-28.4	10⅝	0.50	1.1
267	Humana	86.3	23¾	2.55	3.8
730	JB Hunt Transport	1.9	26¼	1.64	1.1
448	Huntington Bcshs	44.6	19	2.09	4.2
716	IBP	3.9a	13¼	1.07	4.5
NR	ICF Intl	NA	8¾	0.64	0.0
1077	ICH	-82.9	3⅜	0.88	0.0
608	IES Industries	18.7	27¾	2.28	7.6
NR	Illinois Central	NA	29	2.78	0.0
877	Illinois Power	-21.7	23	1.98	3.5
163	Illinois Tool Works	136.6	61⅜	3.84	1.4
657	IMC Fertilizer Group	12.5b	49⅝	4.55	2.2
51	Imcera Group	282.1	33¾	0.56	1.2
328	Imo Industries	68.8	11½	1.45	4.3
486	Imperial Chemical Ind	37.9	86⅞	6.68	5.8
239	Imperial Holly	97.7b	15⅜	2.35	3.1
568	INB Financial	23.5	31¼	3.10	3.8
112	Inco	167.0c	31⅜	1.97	3.2
737	Independent Insurance	1.4	17¾	2.44	5.0
202	Ingersoll-Rand	112.4	47⅜	3.71	2.8
745	Ingles Markets	0.0a	6⅞	0.74	3.2
707	Inland Steel Inds	5.3	19⅞	0.68	0.0
860	Inspiration Resource	-18.4	3⅞	0.57	0.0
115	Instrument Systems	164.7	5⅜	0.52	0.0
92	Intel	194.6	41¼	4.10	0.0
19	Intelligent Electron	474.2a	22¼	2.73	0.0
1096	Interco	-93.5b	¼	NA	0.0
702	Interface	5.8	9⅛	0.88	2.6
736	Intergraph	1.5	17¼	1.80	0.0
1089	Interlake	-88.7c	4⅜	0.29	0.0
868	IBM	-20.4	95½	8.47	5.1
154	Intl Flavors & Frags	140.3	89½	4.93	2.7
371	Intl Multifoods	60.8	26	2.24	3.1
273	International Paper	84.4	69¼	5.49	2.4
NR	Intl Specialty Prods	NA	12½	0.88	0.0
138	Interpublic Group	150.7	45¾	3.05	1.8
NR	Interstate Bakeries	NA	16⅝	1.52	2.6
350	InterTAN	64.7a	24½	1.82	0.0
677	Iowa-Illinois G&E	9.9	24⅜	2.15	7.0
517	Ipalco Enterprises	32.1	31⅞	2.73	5.9
534	Itel	29.0	17¼	0.69	0.0
744	ITT	0.2	53½	6.93	3.2
7	Jacobs Engineering	1073.0	24	1.04	0.0
952	James River Corp Va	-41.7	19¾	1.55	3.0
1041	Jamesway	-66.9	3¾	0.06	0.0
367	Jefferson-Pilot	61.3	54⅝	4.53	3.1
95	Johnson & Johnson	187.2	94¼	5.12	1.7
618	Johnson Controls	17.5	33⅜	2.63	3.7
326	Jostens	69.4	30½	1.78	2.8
262	JWP	87.8	14½	1.76	0.0
950	Kaman	-41.3	8¼	1.14	5.3
378	Kansas City P&L	58.9	44½	3.62	6.3
676	Kansas City Southern	10.1	52	4.55	2.1
450	Kansas Gas & Elec	44.3	33	2.12	5.2
741	Kansas Power & Light	0.7	27⅜	2.45	6.8
504	Kaufman & Broad Home	34.5c	14⅜	1.48	2.1
235	Kellogg	99.0	51½	5.69	2.2
756	Kellwood	-1.1	23⅜	2.05	3.4
611	Kelly Services	18.1	30⅞	2.08	2.3
446	Kemper	45.0	36¼	4.67	2.5
569	Kennametal	23.4	29⅜	2.67	3.9
994	Kentucky Central Life	-50.7	9	1.57	4.9
581	Kentucky Utilities	22.1	25¼	2.14	5.9
938	Kerr Glass Mfg	-37.9	8	-0.10	0.0
478	Kerr-McGee	39.6	39¼	2.74	3.9
285	KeyCorp	81.4	40⅛	4.40	3.6
185	Keystone Intl	118.2	25¾	1.44	2.5
509	Kimball International	33.3	20	1.65	3.4
168	Kimberly-Clark	132.9	46½	6.83	3.5
99	King World Prods	183.9	26½	2.40	0.0
475	Kmart	40.2	41	4.38	4.3
519	KN Energy	31.3	27¼	2.25	4.6
757	Knight-Ridder	-1.1	46⅜	3.07	3.0
237	Kroger	98.6b	17⅝	1.72	0.0
26	LA Gear	421.1	10¾	0.77	0.0
445	La-Z-Boy Chair	45.2	22⅞	1.93	2.6
745	Laclede Gas	0.0	36	NA	6.7
1005	LADD Furniture	-52.8	7⅜	0.50	1.6
559	Lafarge	25.3	11¾	0.69	2.6
268	Lancaster Colony	85.3	32	2.20	2.5
665	Lance	11.4	22	1.41	4.0
197	Lands' End	114.4	26	1.45	0.8
490	Leggett & Platt	37.4	35⅜	2.66	2.5
374	Lennar	59.5	29½	2.82	0.8
417	Leslie Fay Cos	51.1	17¾	2.06	0.0
210	Leucadia National	107.4	35¼	4.54	0.0
591	LG&E Energy	20.7	45⅛	3.65	6.5
587	Liberty Corp	21.1	22¼	3.87	2.2
487	Lifetime	37.5	24¾	2.38	0.0
223	Eli Lilly	102.0	75	5.27	2.7
373	Limited	60.6	25½	1.53	1.1
461	Lincoln Electric	41.6	250	NA	4.6
656	Lincoln National	12.7	52¼	4.94	5.6
1092	Lionel	-92.4	½	NA	0.0
617	Litton Industries	17.6	87	8.06	0.0
835	LIVE Entertainment	-13.2	9⅝	1.25	0.0
316	Liz Claiborne	71.3	36⅝	3.05	1.0
841	Lockheed	-14.0	43⅛	5.59	4.6
69	Loctite	232.6	39½	2.22	1.7
298	Loews	76.4	102¾	12.03	1.0
926	Lone Star Tech	-34.0	4⅛	1.19	0.0
159	Long Island Lighting	138.3	24⅛	2.42	7.0
598	Longs Drug Stores	19.5	35¼	3.32	3.1
334	Longview Fibre	67.8	12½	0.89	4.2
799	Loral	-7.5	35½	4.44	2.7
482	Lotus Development	39.1	24	2.28	0.0
498	Louisiana Land	35.8	37	1.60	2.7
527	Louisiana-Pacific	29.9	38⅝	3.06	2.8
682	Lowe's Cos	9.1	28⅜	1.98	2.0
912	LSI Logic	-31.4	7⅝	0.55	0.0
941	LTV	-38.5	1	NA	0.0
354	Lubrizol	64.3	51¾	3.93	3.1
47	Lukens	294.1	38¾	4.96	3.8
NR	Lyondell Petrochem	NA	22⅛	2.30	7.9
998	M/A-Com	-51.5	6⅛	0.69	0.0
831	Magma Copper	-12.5a	6⅛	1.17	0.0
NR	MagneTek	NA	12⅜	1.50	0.0
1108	MAI Systems	-96.9	⅜	-1.00	0.0
593	Manor Care	20.3	20	1.34	0.7
963	Manufacturers Hanover	-43.2	25⅝	3.41	7.3
212	Manufacturers Natl	105.8	40⅛	4.03	3.3
986	Manville	-47.5	7⅛	0.63	0.0
217	Mapco	103.8	60⅜	5.26	1.7
358	Marion Merrell Dow	62.9	30¾	2.36	3.0
148	Mark IV Industries	144.5	17⅛	2.28	0.7
968	Marriott	-44.0	16¼	1.15	1.7
623	Marsh & McLennan Cos	16.5	70¾	4.56	3.7
292	Marsh Supermarkets	78.9	17	2.15	2.6
275	Marshall & Ilsley	83.6	50½	4.48	2.6
147	Marshall Industries	145.0	24½	2.75	0.0
480	Martin Marietta	39.5	53⅞	7.57	2.8
890	Masco	-24.1	22	1.49	2.7

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
1022	Masco Industries	-57.1	4⅞	0.48	0.0
45	Mattel	301.5	26½	2.11	0.8
1052	Maxtor	-71.9	4⅞	0.03	0.0
669	Maxus Energy	10.7a	7¾	0.06	0.0
68	Maxxam	236.0	31½	18.00	0.0
430	May Dept Stores	48.9	52⅞	4.66	3.1
949	Maytag	-41.3	13⅞	1.15	3.6
NR	MBNA	NA	29⅝	3.50	5.4
338	McCaw Cellular	67.4a	27	-1.85	0.0
679	McClatchy Newspapers	9.3b	16⅛	1.04	1.2
39	McCormick & Co	324.1	20⅞	2.25	1.4
866	McDermott Intl	-20.1	17⅜	1.13	5.8
346	McDonald's	65.7	33⅜	2.67	1.1
740	McDonnell Douglas	0.9	71⅞	8.66	1.9
771	McGraw-Hill	-3.7	52⅝	3.61	4.2
38	MCI Communications	328.0	26¾	2.40	0.4
648	McKesson	13.4	36	2.87	4.4
549	MCN	26.6b	23½	2.10	7.0
1090	MDC Holdings	-88.7	1½	NA	0.0
640	Mead	14.4	31¼	2.17	3.2
28	Medco Containment	411.5	66½	1.43	0.1
789	Media General	-6.5	19⅞	0.79	2.2
49	Medtronic	287.6	74½	3.14	0.6
940	Mellon Bank	-38.4	34⅛	4.59	4.1
405	Melville	54.2	41⅝	4.13	3.5
556	Mercantile Bancorp	25.9	35¼	4.17	4.0
772	Mercantile Stores	-3.7	36⅞	3.75	2.8
63	Merck	251.2	145	6.43	1.7
299	Mercury General	76.3	30⅝	4.29	2.6
885	Meredith	-23.3	25⅛	1.31	2.5
718	Meridian Bancorp	3.6	21⅞	2.34	5.5
574	Merisel	22.9b	7⅜	0.61	0.0
1094	Meritor Savings Bank	-92.9	⅝	-1.00	0.0
481	Merrill Lynch	39.4	50⅞	5.46	2.0
24	Merry-Go-Round	453.6	12½	0.98	0.4
330	Fred Meyer	68.6	22⅛	1.98	0.0
339	Michael Foods	66.6a	14⅝	1.28	1.4
641	Michigan National	14.3	38	3.80	5.3
295	MicroAge	77.1a	7¾	1.29	0.0
100	Micron Technology	183.3	12¾	1.40	0.4
6	Microsoft	1100.0	96½	3.41	0.0
1087	Midlantic	-86.4	5½	-1.28	0.0
777	Midwest Resources	-4.7	19¾	1.71	7.9
863	Herman Miller	-19.4	16⅛	1.78	3.2
692	Millipore	7.5	33⅞	2.53	1.4
512	Mine Safety Appliance	33.1	45¼	NA	1.9
418	Minn Mining & Mfg	50.3	87⅝	5.95	3.6
745	Minnesota Power & Lt	0.0	29⅝	2.32	6.4
128	Mirage	155.4	23⅜	2.56	0.0
436	Mitchell Energy	47.3	16¾	1.24	2.4
1109	MLX	-97.2	⅛	NA	0.0
1067	MNC Financial	-78.8	4¼	-1.04	0.0
349	Mobil	64.8	66⅛	5.12	4.8
260	Modine Manufacturing	88.5	24½	2.02	3.1
333	Molex	68.0	31¼	1.51	0.1
345	Monsanto	66.0	63½	5.86	3.3
555	Montana Power	26.0	24¼	2.09	6.1
742	Moore Corp	0.6	20¾	1.80	4.5
432	JP Morgan & Co	48.5	61¼	5.59	3.2
1029	Morgan Products	-60.4	7⅛	0.48	0.0
127	Morgan Stanley	155.5	55¼	5.22	1.5
455	Morrison	42.7	22⅛	2.16	2.8
802	Morrison Knudsen	-8.0	38⅛	3.42	3.8
NR	Morton International	NA	50⅜	3.09	1.9
320	Motorola	70.5	60¾	4.32	1.3
407	Multimedia	53.7	21	1.74	0.0
501	Murphy Oil	35.0	33¾	2.14	3.6
370	Nacco Industries	61.1	42½	4.12	1.5
144	Nalco Chemical	146.6	33¾	2.01	2.5
745	Nash Finch	0.0	17¾	1.97	3.9
803	Nashua	-8.0	21½	2.56	3.3
666	National City	11.2	34	4.00	5.5
1075	Natl Convenience	-82.2	1⅜	-0.64	0.0
1007	National Education	-52.8	8⅜	0.47	0.0
558	National Fuel Gas	25.4	24⅜	1.96	6.0
93	National Health Labs	192.2b	23⅜	1.25	1.2
684	National Intergroup	8.9	15¼	1.80	0.0
605	National Medical	18.9	13⅜	1.92	3.4
1001	Natl Semiconductor	-51.8	5⅛	0.69	0.0
798	National Service	-7.3	20⅝	1.60	4.7
974	Navistar Intl	-44.7	2⅝	0.11	0.0
192	NBD Bancorp	116.3	42	4.06	3.3
195	NCH	115.2	63¾	5.70	1.6
352	NCNB	64.5	35⅛	4.37	4.2
837	Neiman Marcus Group	-29.5a	11⅜	0.32	1.8
669	New England Electric	10.7	31	2.75	6.7
1102	New Valley	-95.7	⅛	NA	0.0
842	NY State E&G	-14.7	26¾	2.55	7.9
985	New York Times	-47.2	18¾	0.70	3.0
17	Newell Co	514.8	41½	2.09	1.4
563	Newmont Mining	24.4c	38¼	1.62	1.6
723	Niagara Mohawk Power	3.0	17¼	1.66	3.7
353	Nicor	64.4	45	4.18	5.0
10	NIKE	868.1	56⅞	4.90	1.0
188	Nipsco Industries	117.0	25½	2.07	4.5
440	Nissan Motor	46.3	9⅞	0.38	2.0
975	NL Industries	-45.0b	10⅜	NA	5.8
933	Noland	-36.5	13½	NA	3.4
341	Nordstrom	66.5	34¾	2.19	0.9
211	Norfolk Southern	105.9	58	4.25	2.8
1088	Nortek	-87.5	1⅜	NA	0.0
1084	Northeast Federal	-85.2	2¼	NA	0.0
782	Northeast Utilities	-5.2	23	2.00	7.7
606	No States Power	18.8	41	3.15	5.9
105	Northern Telecom	177.5	43⅞	2.29	0.7
169	Northern Trust	132.6	45½	3.82	2.1
966	Northrop	-43.6	22⅛	4.15	5.4
145	Norwest	146.4	29⅞	3.20	3.3
4	Novell	1356.2	46⅞	1.42	0.0
120	Nucor	162.7	80⅛	3.92	0.6
769	NWNL	-3.2	30	5.82	4.7
619	Nynex	17.2	75⅛	6.15	6.1
900	Occidental Petroleum	-27.3	20	1.59	5.0
53	Office Depot	273.8b	39⅞	1.27	0.0
816	Ogden	-10.0	18	1.49	6.9
615	Ohio Casualty	17.7	45¾	4.72	5.4
731	Ohio Edison	1.9	19⅞	1.78	7.5
614	Oklahoma G&E	17.8	40⅝	3.33	6.4
392	Old Kent Financial	56.3	34	3.55	3.6
315	Old Republic Intl	71.4	33½	4.91	2.2
681	Olin	9.1	44¾	4.37	4.9
284	Olsten	81.6	23	1.34	1.0
422	Omnicom Group	49.7	30⅛	2.37	3.7
463	Oneida	41.5	12¾	1.24	3.8
805	Oneok	-8.2	15⅜	1.39	5.5
22	Oracle Systems	463.8	14⅜	0.63	0.0
683	Orange & Rockland	9.0	38	3.29	6.3
621	Orion Capital	17.1	31¾	4.71	2.9
1065	Orion Pictures	-78.4	2⅝	0.00	0.0
720	Oryx Energy	3.4b	26¾	0.69	4.5

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Sources: Forbes; Media General; Institutional Brokers Estimate System, from IBES, Inc., via Lotus One Source.

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
967	Oshkosh Truck	-43.8	13½	2.40	3.7
937	Outboard Marine	-37.5	16⅞	1.10	2.4
121	Owens & Minor	162.5	21	1.01	1.0
460	Owens-Corning	41.8	19½	2.57	0.0
695	Oxford Industries	7.1	15	1.31	3.3
219	Paccar	103.7	47⅝	3.05	2.1
992	Pacific Enterprises	-50.3	24⅜	2.36	7.2
586	Pacific G&E	21.1	29⅜	2.47	5.6
402	Pacific Telesis	54.5	41⅛	3.02	5.2
27	PacifiCare Health	412.2	26¼	2.36	0.0
543	PacifiCorp	27.5	22⅞	1.98	6.6
817	PaineWebber Group	-10.3	18⅞	3.38	2.1
221	Pall	103.3	23⅞	1.63	1.2
NR	Pamida Holdings	NA	4⅛	-0.38	0.0
989	Panhandle Eastern	-49.1	14⅛	1.00	5.7
572	Paramount Commun	23.1	39	2.05	1.8
643	Parker Hannifin	14.1	29⅜	1.78	3.1
809	Penn Central	-8.8	24½	2.11	2.8
317	Penn Traffic	71.0b	22⅞	-0.40	0.0
459	JC Penney	42.2	51⅜	5.02	5.1
499	Pennsylvania P&L	35.3	49⅜	4.22	6.3
832	Pennzoil	-12.9	58⅜	2.49	5.1
342	Pentair	66.3	38¾	2.99	2.4
1035	People's Bank	-62.3b	2⅞	NA	0.0
551	Peoples Energy	26.5	26¼	2.43	6.6
567	Pep Boys	23.6	17¼	0.88	0.8
70	PepsiCo	231.7	28¾	1.78	1.7
1036	Perini	-63.4	10¼	0.80	0.0
609	Perkin-Elmer	18.6	30¼	1.75	2.2
915	Perry Drug Stores	-32.7	8¼	0.75	0.0
NR	Pet	NA	18⅞	0.98	1.3
884	Petrie Stores	-23.1	20⅜	0.69	1.0
882	Petroleum Heat & Pwr	-22.3	10⅞	NA	2.9
178	Pfizer	120.9	67⅜	3.22	2.0
65	Phelps Dodge	241.0c	70¾	8.77	4.2
700	PHH	5.9	33½	3.25	3.6
722	Philadelphia Elec	3.3	23⅜	2.20	5.6
52	Philip Morris Cos	277.7	67⅛	5.68	3.1
773	Philips Electronics	-3.7	19⅛	2.22	0.0
222	Phillips Petroleum	102.1	23¾	2.11	4.7
170	Phillips-Van Heusen	131.5	18¾	1.39	0.8
444	PHM	45.4	17⅝	1.81	0.7
758	Pic'N'Save	-1.2	20⅞	1.26	0.0
473	Piedmont Natural Gas	40.3	31¾	2.66	5.5
764	Pier 1 Imports	-2.2	7⅝	0.73	0.0
909	Pilgrim's Pride	-28.4	7¼	1.05	0.8
NR	Pinkerton's	NA	24¼	2.11	0.0
983	Pinnacle West	-46.7	15⅛	1.35	0.0
828	Pioneer Financial Svcs	-12.0	7⅝	1.36	0.0
214	Pioneer Hi-Bred Intl	104.2	61¼	3.61	1.9
387	Pitney Bowes	57.0	57½	4.15	2.4
484	Pittston	38.3	16¼	1.79	1.2
NR	Pittway	NA	33	NA	1.8
947	Ply Gem Industries	-40.0	7⅛	0.75	1.5
709	PNC Financial	5.2	43⅜	4.26	4.9
879	Polaroid	-21.8	26	2.48	2.3
610	Pope & Talbot	18.5	13⅜	0.74	5.6
1000	Portland General	-51.7	14	1.56	8.6
596	Potlatch	20.0	34½	3.31	4.1
760	Potomac Electric	-1.3	24	1.99	6.5
533	PPG Industries	29.0	47	4.15	3.9
253	Precision Castparts	93.1	31⅝	2.74	0.4
336	Premark Intl	67.5	32⅞	3.23	2.6
826	Premier Bancorp	-11.9	6½	0.80	0.0
209	Premier Industrial	108.5	26⅞	1.58	1.6
1051	Preston	-71.8	6⅝	0.98	0.0
306	Price Co	73.3	56¾	2.94	0.0
325	Primerica	69.5	34¾	4.35	1.4
204	Procter & Gamble	111.5	80¾	5.17	2.5
366	Progressive	61.3	50	4.71	1.0
NR	Promus Cos	NA	19⅞	1.55	0.0
726	Provident Life & Acc	2.8	20¼	3.38	4.9
719	PS Group	3.5	36¾	NA	1.6
598	PSI Resources	19.5	17⅝	1.89	5.7
502	Public Service Colo	34.7	25¼	2.33	7.9
1057	Public Service NM	-73.9	8⅜	0.71	0.0
735	Pub Svc Enterprise	1.6	27¼	2.67	7.9
589	Puget Sound P&L	21.0	25¼	2.22	7.0
928	Pulitzer Publishing	-34.0	20⅛	1.48	2.6
337	Quaker Oats	67.5	67	3.54	2.6
973	Quaker State	-44.5	13⅞	0.92	5.8
16	Quanex	573.1	21⅞	1.82	2.2
198	Quantum	114.2	9⅛	1.38	0.0
1048	Quantum Chemical	-71.3c	11⅞	-0.45	0.0
627	Questar	16.1	21⅝	1.70	4.7
768	QVC Network	-3.0	16¼	0.82	0.0
425	Ralston Purina	49.5	52⅞	3.83	2.0
693	Raychem	7.5	31¾	0.70	1.0
628	Raytheon	16.0	78	9.74	3.1
NR	Reader's Digest Assn	NA	42	1.95	1.9
171	Reebok International	131.0	27	2.70	1.1
979	Reliance Group	-46.0	4¼	0.50	7.5
698	Republic New York	6.6	40⅞	4.29	2.4
1100	Rexene	-94.9bc	1⅛	-0.49	0.0
823	Reynolds & Reynolds	-11.4	29¼	2.57	3.0
132	Reynolds Metals	153.1	50⅝	4.40	3.6
36	Rhone-Poulenc Rorer	333.4	54	3.07	0.9
NR	Rhone-Poulenc	NA	19½	2.87	5.1
379	Richfood Holding	58.7b	12½	NA	0.8
1074	Riggs National	-82.1	5¼	NA	0.0
447	Riser Foods	44.6b	10⅛	1.33	0.0
541	Rite Aid	28.0	18⅞	1.65	2.6
NR	RJR Nabisco	NA	9¼	0.64	0.0
365	Roadway Services	61.6	55¾	3.64	2.2
1078	Robertson-Ceco	-83.8	2	NA	0.0
795	Rochester G&E	-7.2	20⅞	1.99	7.8
465	Rochester Telephone	41.3	31⅝	2.09	4.7
674	Rockwell Intl	10.2	25	2.64	3.7
645	Rohm & Haas	14.0	39¾	3.14	3.1
902	Rohr Industries	-27.6	21	2.34	0.0
443	Rollins	45.5	24⅜	1.52	2.4
1042	Rose's Stores	-66.9	5⅜	0.45	0.0
72	Ross Stores	226.3	15½	1.21	0.0
905	Rouse	-28.3	15	1.40	4.0
289	RPM	80.4	19	1.31	3.6
143	Rubbermaid	147.9	30⅛	2.34	1.1
229	Ruddick	100.0	15¼	1.26	2.6
408	Russell	53.3	26¼	1.89	1.2
982	Ryder System	-46.4	17⅛	1.47	3.4
846	Rykoff-Sexton	-15.3	17⅞	1.55	3.4
651	Ryland Group	13.2	22½	2.13	2.7
395	Safeco	56.1	41¾	4.11	3.5
733	Safeguard Scientifics	1.8	14	1.50	0.0
259	Safety-Kleen	88.8	28	1.30	1.1
NR	Safeway	NA	17½	1.47	0.0
NR	St Joe Paper	NA	31⅞	1.00	0.6
355	St Paul Cos	63.0	65⅝	7.91	4.0
1056	Salant	-73.8	2¾	NA	0.0
1026	Salem Carpet Mills	-58.6	3⅜	0.14	2.2
187	Sallie Mae	117.9	57⅜	4.10	1.7

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
896	Salomon	-25.7	28½	4.18	2.2
540	San Diego G&E	28.0	43⅜	3.50	6.5
NR	Santa Fe Pacific	NA	10⅝	0.86	0.0
102	Sara Lee	180.4	47½	2.42	2.1
113	Savannah Foods	166.7	16	1.70	3.3
1110	Savin	-97.2	⅛	NA	0.0
671	Scana	10.6	40½	3.46	6.5
528	SCEcorp	29.9	44	3.81	6.2
81	Schering-Plough	211.4	61½	3.50	2.1
226	Schlumberger	101.2	63⅞	3.45	1.9
78	A Schulman	221.1	39⅛	2.17	0.9
207	Schultz Sav-O Stores	109.2	13¼	1.50	0.9
23	Charles Schwab	460.4a	22⅜	2.05	0.7
984	SCI Systems	-46.8	6¼	0.70	0.0
514	Scientific-Atlanta	32.6	14¾	0.53	1.1
691	Scott Paper	7.6	33¾	2.75	2.4
622	EW Scripps	16.8b	20	1.04	2.0
862	Seaboard	-19.2	118	NA	0.4
1009	Seagate Technology	-52.9	9	0.09	0.0
271	Seagram	85.2	112½	9.50	1.8
762	Sealed Air	-1.5c	39⅞	2.09	0.0
806	Sears, Roebuck	-8.5	36⅜	4.41	5.5
629	Seaway Food Town	15.9	12¾	NA	2.8
855	Security Pacific	-18.1	28⅛	3.20	0.0
661	Selective Insurance	12.1	16¼	1.77	6.4
914	Sequa	-32.2	45¼	7.09	1.3
754	Service Corp Intl	-0.5	24⅝	1.77	2.3
94	Service Merchandise	187.3c	11⅞	1.43	0.0
1014	Shared Medical Sys	-54.9	18¼	1.26	4.6
97	Shaw Industries	185.4	29¼	2.20	1.7
1037	Shawmut National	-64.1	8⅞	0.42	0.0
409	Sherwin-Williams	52.9	21⅛	1.72	2.0
135	Shoney's	152.3b	20½	1.12	0.0
176	Sigma-Aldrich	121.2	41¾	1.88	0.6
961	Signet Banking	-43.0	18¼	1.70	4.4
60	Silicon Graphics	252.9	45⅞	2.01	0.0
NR	Sizzler Intl	NA	10⅜	1.25	1.5
763	Skyline	-1.7	14⅜	0.88	3.3
NR	Smart & Final	NA	17⅛	1.04	0.9
810	AO Smith	-8.9	19⅛	2.90	4.2
NR	Smith Corona	NA	6⅞	0.85	2.9
166	Smith International	133.3	10½	0.83	0.0
35	Smithfield Foods	333.8	19¼	2.42	0.0
NR	Smith's Food & Drug	NA	37¼	2.00	1.0
82	JM Smucker	211.1	35	1.38	1.1
646	Snap-on Tools	13.7	29⅛	2.42	3.7
327	Society	69.0	47¾	5.29	3.9
452	Sonat	43.8	37⅜	2.46	5.4
324	Sonoco Products	69.7	32¼	2.57	2.9
256	Sony	91.8	35¾	2.77	1.0
602	Sotheby's Holdings	19.2b	12	0.96	7.9
369	South Carolina Natl	61.2	35⅞	3.06	2.2
830	Southdown	-12.2	12⅛	0.02	0.0
607	Southern Co	18.7	30⅛	2.83	7.1
642	So New Eng Telecom	14.2	30¾	2.63	5.7
462	SouthTrust	41.6	32	3.42	3.4
213	Southwest Airlines	105.5	28¼	1.77	0.4
943	Southwest Gas	-38.7	10⅞	1.35	6.4
390	Southwestern Bell	56.7	58⅜	4.07	4.8
712	Southwestern Pub Svc	4.4	32⅜	2.64	6.8
329	Spiegel	68.7a	14⅛	1.29	2.5
913	Sprague Technologies	-31.5a	6¼	0.45	0.8
560	Springs Industries	25.3	31¼	2.91	3.8
932	SPS Technologies	-36.4	24	NA	5.3
1015	SPX	-55.0c	11¾	1.15	3.4
290	Std Commercial	80.2	26⅛	NA	2.0
188	Standard Fedl Bank	117.0a	12¾	2.21	3.1
990	Standard Motor Prods	-49.7	10	0.97	3.2
848	Standard Products	-15.5	25	1.52	1.9
911	Standard Register	-30.8	12½	1.19	4.5
483	Standex International	38.6	22	2.25	3.5
76	Stanhome	223.1	36¾	2.98	2.5
451	Stanley Works	44.1	36¼	2.84	3.4
161	State Street Boston	137.4	55½	3.89	1.4
1049	Sterling Chemicals	-71.3b	4⅝	0.38	6.5
5	Stewart & Stevenson	1222.2	54	2.94	0.6
672	Stone Container	10.6	21⅜	1.10	3.4
638	Storage Technology	14.6	40⅛	3.40	0.0
240	Stratus Computer	97.6	41¾	2.48	0.0
897	Strawbridge	-26.7	22	3.25	5.0
14	Stride Rite	601.7	25	3.00	1.2
1111	Sudbury	-97.3	¼	NA	0.0
838	Sun Co	-13.6b	27¾	2.42	6.5
229	Sun Microsystems	100.0	24	2.08	0.0
595	Sundstrand	20.2	32	3.25	3.4
300	SunTrust Banks	76.3	35¼	3.12	2.8
797	Super Food Services	-7.3	13¾	1.57	2.5
690	Super Valu Stores	7.7	26⅜	2.43	2.7
98	Syntex	184.6	41	2.25	2.2
107	Sysco	175.0	41¼	1.95	1.0
1054	Talley Industries	-73.1	3⅞	NA	0.0
668	Talman Home Federal	10.7	9¾	2.65	0.0
243	Tambrands	97.3	54½	3.11	2.5
957	Tandem Computers	-42.3	9⅞	0.81	0.0
930	Tandon	-34.2	1⅝	0.66	0.0
934	Tandy	-37.1	26¾	3.11	2.2
29	TBC	411.3	12⅝	0.97	0.0
456	TCF Financial	42.3	17¼	2.69	2.3
48	Tech Data	293.7	26¼	1.70	0.0
331	TECO Energy	68.5	38¾	2.72	4.4
853	Tecumseh Products	-17.0	100	7.90	3.2
988	Tektronix	-48.9	17⅜	2.63	3.5
283	Tele-Communications	82.0	13⅞	0.03	0.0
NR	Teledyne	NA	19⅜	1.66	4.1
233	Teleflex	99.5	31¼	2.13	1.3
238	Temple-Inland	98.1	45⅜	3.87	1.9
821	Tenneco	-11.1	34	3.04	4.7
844	Teradyne	-15.3	13⅞	1.04	0.0
80	Terex	218.5	13⅜	2.44	0.4
997	Tesoro Petroleum	-51.2	5¼	0.67	0.0
321	Texaco	70.4c	61⅛	5.37	5.2
739	Texas Industries	0.9	20⅜	NA	1.0
898	Texas Instruments	-27.0	28¾	2.40	2.5
545	Texas Utilities	27.4	40⅛	3.70	7.5
630	Textron	15.9	36½	3.80	3.1
157	Thermo Electron	139.0	40⅝	2.23	0.0
NR	Thiokol	NA	18⅜	2.87	2.0
600	Thomas & Betts	19.4	51½	3.37	4.3
881	Thomas Industries	-22.2	11⅜	1.00	6.7
9	Thorn Apple Valley	914.3	35½	5.75	0.0
920	3Com	-33.3	10¾	0.64	0.0
71	Tiffany	229.8a	45⅝	3.02	0.6
601	Time Warner	19.3	83½	-4.75	1.2
833	Times Mirror	-13.0	27⅝	1.51	3.9
696	Timken	6.9	23⅛	1.53	4.3
NR	TJX Cos	NA	14¼	1.43	3.2
224	Torchmark	101.4	52⅜	5.16	3.1
708	Toro	5.2	15¼	1.65	3.1
165	Tosco	133.8	23⅜	3.04	2.6
1032	Town & Country	-61.1	2⅜	NA	0.0

Note: Except as indicated, price changes are from Dec. 31, 1986 to Nov. 20, 1991. NR: Not ranked because of merger, spinoff, reorganization, new issue or conversion to stock company. a: Four-year price change. b: Three-year price change. c: Does not reflect special cash dividend paid. NA: Not available.

Sources: Forbes; Media General; Institutional Brokers Estimate System, from IBES Inc., via Lotus One Source.

Rank	Company	5-year price change %	Recent price	EPS 1992 estimate $	Current yield %
181	Toys 'R' Us	119.1	28	1.54	0.0
616	Transamerica	17.6	38⅜	3.72	5.2
995	Transco Energy	-50.8	20⅜	1.56	2.9
1021	Travelers	-56.6	19⅜	2.92	8.3
NR	Tredegar Industries	NA	9½	1.07	2.5
537	Tribune	28.5	36⅝	2.46	2.6
348	Trinity Industries	65.4	27½	2.34	2.9
883	Trinova	-22.5	18¼	1.16	3.7
837	TRW	-13.6	36½	3.30	4.9
1093	Tucson Electric	-92.5	4⅜	-1.82	0.0
11	Turner Broadcasting	759.3	19⅞	0.45	0.0
1040	Turner Corp	-64.8	7¼	NA	0.0
NR	TW Holdings	NA	2⅞	-0.33	0.0
141	20th Century Inds	149.3	21½	2.13	2.0
386	Tyco Laboratories	57.1	32	2.28	1.1
50	Tyco Toys	283.6	29¼	2.53	0.0
201	Tyson Foods	113.3	19⅜	1.19	0.2
151	UAL	140.9	125⅞	11.02	0.0
427	UGI	49.3	19⅛	1.61	6.5
923	UJB Financial	-33.7	15¾	1.30	3.8
1008	UNC	-52.9	4⅛	0.50	0.0
25	Unifi	422.3	39½	2.38	1.5
236	Unilever NV	98.6	94½	7.71	2.9
944	Union Bank	-39.1	18	4.39	7.8
518	Union Camp	32.0	44⅞	2.97	3.5
859	Union Carbide	-18.3	18⅜	1.64	5.4
564	Union Electric	24.3	35¾	2.93	6.3
435	Union Pacific	47.8	46	3.69	3.0
136	Union Texas Petrol	151.6a	20⅛	1.43	1.0
1083	Unisys	-85.0	4	-0.20	0.0
13	United HealthCare	606.0	59⅛	2.97	0.1
578	United Illuminating	22.2	35¾	3.85	6.8
322	US Bancorp	70.3	18⅝	2.38	4.1
33	US Healthcare	354.8	35¼	2.36	1.2
1098	US Home	-94.4	⅜	0.20	0.0
969	US Shoe	-44.0	11⅝	1.42	4.5
1	US Surgical	1599.2	94	2.15	0.3
972	United Stationers	-44.4	9⅜	0.79	4.3
710	United Technologies	4.9	48¼	4.60	3.7
305	United Telecom	73.5	22⅛	2.12	4.5
NR	Unitrin	NA	33¼	2.77	3.0
177	Univar	121.2	11¾	1.00	2.6
244	Universal	97.2	53	3.80	2.9
58	Universal Foods	262.6	37⅛	2.46	2.2
274	Universal Health	83.9	12⅛	1.46	0.0
265	Unocal	86.8	24⅞	1.45	2.8
114	UNUM	166.0	71½	6.42	1.5
506	Upjohn	33.9	41⅝	3.16	3.3
546	US West	27.3	34⅜	3.07	6.1
1053	USAir Group	-72.8	9⅞	-2.09	0.0
1079	USF&G	-84.0	6½	-0.57	3.1
1060	USG	-75.6b	1⅜	NA	0.0
903	Uslico	-27.7	17¼	2.33	5.8
727	USLife	2.6	44⅝	4.81	3.7
30	UST Inc	384.5	53¾	2.73	2.5
NR	USX-Marathon	NA	27¾	1.49	5.0
NR	USX-US Steel	NA	27½	2.98	3.6
500	UtiliCorp United	35.1	26	2.38	6.2
44	Valero Energy	301.8	27⅝	2.85	1.3
380	Valhi	58.6	5¾	0.80	3.5
920	Valley National	-33.3	25¾	2.28	0.0
85	Valmont Industries	206.7	11½	1.20	2.3
164	Valspar	134.1	49¾	2.95	1.2
NR	Value City Dept	NA	19¼	1.81	0.0
372	Varian Associates	60.7	36¾	3.39	0.9
761	Varity	-1.3	18½	2.85	0.0
NR	Venture Stores	NA	22⅝	2.63	2.4
634	VF	15.4	35⅝	2.96	3.0
54	Viacom	269.6a	33½	0.60	0.0
NR	Vigoro	NA	19	2.08	3.2
926	Village Super Market	-34.0	8¼	0.65	1.8
399	Vishay Intertech	55.4	16½	1.97	0.0
1045	Volt Info Sciences	-68.8	8½	NA	0.0
590	Volvo	21.0	60⅝	2.52	4.1
66	Vons Cos	240.7a	25⅛	2.03	0.0
585	Vulcan Materials	21.3	37¾	2.50	3.2
569	VWR	23.4	19¾	1.70	4.1
NR	Waban	NA	17¾	1.29	0.0
301	Wachovia	75.7	53¼	4.82	3.5
637	Wackenhut	14.8	24¼	2.28	2.5
43	Wal-Mart Stores	306.5	47¼	1.72	0.4
216	Walgreen	103.9	33	1.80	1.6
815	Wallace Computer Svcs	-9.8	19⅝	1.83	2.8
1061	Wang Laboratories	-76.3	2¾	-0.15	0.0
NR	Warnaco Group	NA	26⅛	NA	0.0
153	Warner-Lambert	140.5	70½	4.78	2.5
531	Washington Gas Light	29.6	33⅜	2.64	6.3
279	Washington Mutual	82.6	28	3.84	2.1
1002	Washington National	-52.0	15⅜	1.37	7.0
625	Washington Post	16.3	181½	11.41	2.3
129	Waste Management	154.4	35⅜	1.96	1.2
778	Waxman Inds	-4.8	5	0.45	2.4
NR	Weirton Steel	NA	3½	-1.92	0.0
701	Weis Markets	5.9	26⅛	2.10	2.4
308	Wellman	73.1a	20⅛	1.87	0.6
582	Wells Fargo	21.9	61⅞	8.85	6.5
858	Wendy's Intl	-18.3	8⅜	0.60	2.9
1086	Western Digital	-85.8	2⅜	-1.83	0.0
729	Western Publishing	2.0	13	0.80	0.0
953	Westinghouse	-42.2	16⅛	2.13	8.7
90	Westmark Intl	196.8a	46¼	2.40	0.0
829	Westmoreland Coal	-12.2	18	1.63	1.8
523	Westvaco	30.2	35⅛	2.73	3.1
552	Wetterau	26.5	24½	2.60	2.8
787	Weyerhaeuser	-6.1	23⅜	1.77	5.1
NR	Wheeling Pittsburgh	NA	7	NA	0.0
724	Whirlpool	3.0	34⅞	3.00	3.2
NR	Whitman	NA	12⅜	0.97	1.9
659	Wicor	12.4	23¾	2.20	6.2
507	Willamette Inds	33.7	54½	3.77	2.9
675	Willcox & Gibbs	10.1	7⅜	0.81	1.4
398	Williams Cos	55.4	36⅛	2.49	3.9
391	Winn-Dixie Stores	56.4	35⅞	2.38	3.3
1050	Winnebago Industries	-71.7	3¼	-0.17	0.0
491	Wisconsin Energy	37.3	36⅛	3.03	5.1
678	Wisconsin Public Svc	9.4	27	2.20	6.3
765	Witco	-2.3	37¾	3.51	4.9
538	WLR Foods	28.4b	15⅛	1.41	2.1
492	Woolworth	36.6	26⅜	2.83	4.1
269	Worthington Inds	85.2	20⅜	1.24	2.2
612	WPL Holdings	18.0	29½	2.33	6.1
1085	WPP Group	-85.6a	2⅛	1.37	0.0
104	Wm Wrigley Jr	177.6	63½	3.56	2.6
705	Wyle Laboratories	5.5	11½	1.39	2.4
1063	Wyman-Gordon	-77.3	3¼	0.07	0.0
715	Xerox	4.2	62½	5.68	4.8
904	Yellow Freight Sys	-28.1	26½	2.18	3.5
1046	Zenith Electronics	-69.7	6⅜	-0.50	0.0
936	Zenith National Ins	-37.2	15⅛	2.34	6.6
294	Zurn Industries	77.9	34¼	3.07	2.6

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Sources: Forbes; Media General; Institutional Brokers Estimate System, from IBES, Inc., via Lotus One Source.

In the latest 12 months only one main sector—financial services—beat its five-year average return on equity.

By Warren Midgett

Which industry had the highest five-year return on equity? The recession-resistant food, drink and tobacco group, which chalked up a 20% return.

For the median firm in this survey, latest 12-month return on equity fell to 9.9% from 12.1% last year. Financial services was the only industry in which the latest 12-month return exceeded the five-year average.

Latest 12-month earnings fell 5.9% for the median survey firm. The worst-performing industries: construction, where profits were off 88%, and travel, where the median company went from a profit to a deficit position.

Especially in a recession—when companies slash prices in order to maintain cash flow—sales growth may not translate into higher profits. For example, the median retailer's sales increased 7.7% while profits fell 5.9%. ■

	Profitability					Growth						Sales	Net income	Profit margin
	Return on equity			Return on capital		Sales			Earnings per share					
Company	rank	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Food, drink & tobacco (62)	1	20.0	17.0	12.4	30.6	14	10.6	7.0	1	14.8	7.4	2,029	79	3.8
Food processors (43)		19.4	17.1	13.1	27.1		10.0	5.3		14.6	8.9	1,397	74	3.9
Beverages (9)		18.1	21.2	10.0	30.4		10.9	7.1		11.8	0.1	4,038	146	5.6
Tobacco (10)		20.6	14.8	11.2	43.1		14.1	16.1		14.9	16.3	2,037	161	2.2
Consumer nondurables (53)	2	18.0	13.6	9.4	32.4	5	12.3	7.6	5	10.8	10.3	919	45	3.7
Personal products (21)		18.2	14.3	12.5	29.2		11.8	9.3		12.4	14.9	1,559	68	5.3
Apparel & shoes (18)		20.1	13.7	9.4	31.9		14.0	7.8		14.1	12.0	850	30	3.4
Textiles (7)		9.9	8.8	5.4	34.3		12.6	1.7		-11.2	-43.8	632	15	2.0
Photography & toys (7)		12.4	9.2	7.0	33.9		6.2	5.4		NM	-9.0	1,536	65	3.5
Health (52)	3	17.9	16.9	14.2	18.9	4	12.5	10.8	2	14.7	18.5	1,780	90	6.5
Drugs (20)		22.3	29.2	23.0	12.8		11.4	12.4		16.2	19.0	4,328	533	14.2
Health care services (14)		17.3	16.5	13.9	31.4		21.2	17.5		11.6	25.3	1,214	33	3.0
Medical supplies (18)		16.8	14.9	11.4	18.9		14.8	8.3		6.4	9.7	1,105	65	6.5
Chemicals (52)	4	16.7	13.0	9.4	30.8	6	12.2	4.0	3	13.9	-11.1	1,200	67	4.9
Diversified (16)		15.2	4.8	4.6	30.4		9.1	2.1		13.1	-32.2	2,911	60	2.5
Specialized (36)		18.6	15.5	12.1	30.8		12.7	4.6		13.9	-0.4	1,011	69	6.5
Entertainment & Information (47)	5	15.4	8.4	7.6	31.6	12	11.0	0.7	12	-0.7	-22.6	1,291	25	3.8
Broadcasting & cable (9)		def	def	2.8	84.7		29.1	8.0		NM	D-D	1,442	-105	-5.3
Movies (9)		18.3	3.9	6.9	33.5		21.0	5.1		14.9	-89.1	784	8	1.5
Publishing (24)		16.4	9.4	7.6	22.1		7.7	-1.1		-4.6	-18.3	1,337	28	4.8
Advertising (5)		16.6	17.7	14.0	24.4		11.3	6.5		12.7	0.8	1,184	19	2.8
Business services & supplies (56)	6	14.8	10.3	9.0	31.4	7	11.7	2.6	7	8.5	-10.1	731	26	2.7
Business services (20)		15.2	13.2	11.0	26.3		12.2	5.1		14.3	-5.5	628	16	2.4
Business supplies (22)		12.8	6.2	8.3	23.6		9.1	-0.6		-6.0	-13.6	765	23	3.3
Industrial services (10)		15.0	7.3	5.6	40.3		16.3	3.2		-12.7	-43.0	1,031	34	2.1
Environmental & waste (4)		18.7	12.4	10.5	38.0		25.8	24.2		21.5	9.8	742	37	5.1
Forest products & packaging (30)	7	14.4	5.5	4.3	33.3	9	11.6	-1.8	4	12.6	-48.1	1,562	47	2.9
Paper & lumber (18)		15.1	4.6	4.0	34.5		11.7	-4.2		18.0	-59.2	1,792	59	2.6
Packaging (12)		14.2	8.3	8.2	31.7		10.7	3.7		8.1	-13.9	939	24	3.4
Food distribution (47)	8	14.2	12.0	10.0	39.7	8	11.6	3.5	6	9.0	7.0	1,465	27	1.2
Supermarkets & convenience (29)		13.9	12.0	10.0	41.3		10.2	2.7		6.8	0.5	1,478	13	1.2
Food wholesalers (9)		13.0	13.0	9.5	37.8		10.7	2.8		4.6	8.0	2,337	18	0.9
Restaurant chains (9)		15.1	11.4	11.5	32.0		13.0	6.4		16.7	27.0	973	28	4.1
Retailing (93)	9	14.0	10.5	9.3	32.4	2	13.5	7.7	11	4.5	-5.9	1,079	24	2.2
Department stores (10)		12.1	8.0	6.3	41.9		7.3	1.9		-1.5	-27.8	2,333	78	2.2
Apparel (16)		18.4	13.8	10.9	28.6		16.2	9.2		3.0	-0.5	1,288	26	2.7
Consumer electronics (8)		14.1	11.6	10.2	14.4		33.1	15.7		NM	-30.0	786	13	1.7
Drug & discount (27)		13.7	12.3	9.0	38.0		11.5	5.3		5.8	14.8	1,466	18	2.2
Home improvement (5)		11.9	7.8	7.5	21.6		25.3	11.8		NM	-26.1	2,681	27	1.7

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NM: Not meaningful. For further explanation, see page 95.

WHO'S WHERE IN THE INDUSTRY GROUPS

Company	Profitability: Return on equity rank	Return on equity: 5-year average %	Return on equity: latest 12 mos %	Return on capital: latest 12 mos %	Debt/capital %	Growth: Sales rank	Sales: 5-year average %	Sales: latest 12 mos %	Earnings per share rank	Earnings per share: 5-year average %	Earnings per share: latest 12 mos %	Sales: latest 12 mos $mil	Net income: latest 12 mos $mil	Profit margin: latest 12 mos %
Home shopping (8)		8.5	10.6	12.3	62.1		14.3	8.8		14.1	10.2	766	24	2.1
Specialty retailers (19)		15.7	11.1	8.7	31.2		19.8	9.3		8.2	-5.2	796	22	3.4
Metals (36)	10	**13.2**	**3.7**	**3.7**	**31.2**	13	**10.7**	**-5.7**	8	**7.5**	**-66.9**	**1,025**	**27**	**1.8**
Steel (21)		11.6	0.5	2.8	27.8		8.0	-7.6		NM	-73.7	879	1	0.3
Nonferrous metals (15)		16.0	5.0	5.0	31.5		12.9	-5.1		21.2	-65.1	2,296	80	2.6
Computers & communications (88)	11	**13.2**	**9.4**	**7.4**	**25.0**	1	**14.3**	**4.5**	16	**-13.6**	**-19.1**	**1,223**	**40**	**4.0**
Major systems (26)		8.2	4.6	6.3	8.8		15.3	2.0		-22.2	-50.0	1,407	34	3.2
Peripherals & equipment (34)		10.0	8.3	7.6	20.8		17.2	4.2		NM	-18.1	827	11	2.4
Software (6)		26.6	10.2	9.0	3.0		47.2	13.9		NM	-29.5	912	82	6.8
Telecommunications (22)		13.9	12.8	7.5	34.2		5.5	5.0		4.6	-6.0	8,016	418	7.5
Capital goods (57)	12	**13.2**	**7.5**	**7.2**	**28.9**	11	**11.3**	**-0.8**	9	**7.1**	**-29.8**	**1,193**	**30**	**2.8**
Electrical equipment (15)		18.4	14.2	8.4	37.4		8.9	1.7		9.4	-37.1	1,163	35	3.0
Heavy equipment (14)		11.1	0.6	5.1	41.5		11.7	-3.0		13.3	P-D	1,317	-2	0.0
Other industrial equipment (28)		12.0	10.1	8.5	24.9		11.7	0.7		6.6	-12.3	1,058	33	2.9
Electric utilities (79)	13	**12.4**	**12.2**	**7.0**	**40.4**	20	**3.2**	**3.7**	14	**-11.7**	**1.7**	**1,509**	**134**	**10.1**
Northeast (23)		11.5	11.6	7.0	42.3		3.6	3.8		-11.0	1.4	1,528	168	8.6
North central (26)		12.8	12.3	6.8	39.8		1.5	3.8		-12.1	0.4	1,108	112	10.6
Southeast (10)		13.6	12.9	7.5	38.5		4.0	2.1		2.2	6.7	2,374	211	11.9
South central (8)		12.2	11.2	7.1	41.8		0.3	4.6		NM	2.4	2,325	129	10.3
Western (12)		10.1	12.1	7.1	42.3		4.9	5.0		NM	15.7	1,308	127	9.2
Aerospace & defense (37)	14	**12.2**	**9.4**	**7.6**	**32.8**	19	**6.8**	**2.2**	17	**-18.7**	**1.5**	**1,919**	**42**	**2.3**
Insurance (66)	15	**12.1**	**10.7**	**9.9**	**19.5**	15	**9.6**	**5.4**	10	**4.9**	**1.3**	**1,476**	**109**	**5.1**
Diversified (20)		12.1	10.1	9.6	14.8		7.8	5.9		-0.1	5.7	3,173	222	4.7
Life & health (18)		10.4	10.8	9.0	22.8		9.0	9.3		2.6	5.6	1,265	80	5.3
Property & casualty (24)		15.0	13.0	10.6	18.0		10.8	3.9		10.0	0.3	1,476	73	4.9
Brokerage (4)		20.5	18.1	16.3	26.2		10.3	7.7		8.1	-3.9	940	41	5.2
Financial services (112)	16	**11.1**	**12.0**	**8.7**	**27.2**	10	**11.3**	**0.1**	19	**NM**	**0.8**	**1,656**	**88**	**5.6**
Multinational banks (10)		2.8	8.2	7.2	43.0		9.0	-10.5		NM	D-P	7,215	286	4.2
Regional banks (62)		13.8	12.2	9.9	20.8		13.8	0.3		NM	-2.7	1,360	93	7.1
Thrift institutions (19)		0.7	7.7	5.8	30.0		6.5	-9.4		NM	P-D	882	14	2.7
Brokerage & commodity (8)		10.5	16.4	12.0	39.9		9.1	4.8		-8.8	40.6	2,726	125	5.1
Lease & finance (13)		18.1	15.6	8.1	65.5		14.2	6.8		15.1	16.8	3,428	143	7.8
Consumer durables (67)	17	**11.0**	**4.3**	**5.3**	**34.5**	16	**9.4**	**-2.3**	18	**NM**	**-51.1**	**1,300**	**15**	**1.1**
Automobiles & trucks (8)		9.9	def	1.2	46.4		8.6	-6.3		NM	P-D	29,902	-140	-1.7
Automotive parts (29)		12.0	4.3	5.3	34.3		8.4	-2.1		NM	-36.5	960	14	1.5
Appliances (10)		8.0	4.2	5.5	43.5		12.9	0.2		NM	-62.2	2,135	16	0.9
Home furnishings (13)		13.9	6.4	6.1	33.1		12.2	-0.7		-19.0	-29.5	1,085	26	2.6
Recreation equipment (7)		10.0	def	def	16.6		4.3	-14.1		NM	P-D	896	-15	-1.3
Transport (21)	18	**10.8**	**9.9**	**6.7**	**36.8**	17	**8.8**	**4.3**	13	**-6.7**	**2.9**	**2,308**	**38**	**2.3**
Railroads (8)		10.6	8.9	6.5	34.8		1.6	-1.8		-6.2	-6.5	3,859	58	6.0
Trucking & shipping (8)		8.2	9.6	7.0	38.6		13.7	5.0		NM	P-D	1,555	33	2.0
Air freight (5)		12.3	13.0	11.1	32.0		20.5	7.6		16.4	5.1	1,325	19	2.2
Energy (77)	19	**10.7**	**9.6**	**7.2**	**37.7**	21	**-4.2**	**6.0**	19	**NM**	**-4.7**	**1,810**	**62**	**3.5**
International oils (6)		12.0	13.2	9.7	21.3		NM	13.2		NM	28.3	49,573	2,030	4.6
Other energy (32)		9.6	9.5	7.3	37.5		3.3	9.0		NM	-21.7	2,070	51	2.5
Oilfield services (6)		8.4	9.3	8.9	24.0		-1.7	16.6		NM	18.4	3,809	148	3.3
Gas producers & pipeliners (9)		5.9	9.0	6.2	46.0		-8.3	6.0		NM	-0.6	2,028	110	3.5
Gas distributors (14)		12.3	10.8	7.1	39.1		-4.7	-3.2		-13.0	-4.6	967	44	4.9
Integrated gas (10)		8.2	9.2	6.1	37.8		-5.2	2.3		NM	-5.2	1,652	55	4.0
Construction (41)	20	**9.6**	**0.8**	**3.5**	**39.5**	18	**8.6**	**-8.2**	15	**-11.7**	**-87.8**	**718**	**1**	**0.1**
Commercial builders (12)		9.1	8.3	7.0	24.6		6.2	-1.2		13.6	-7.1	1,006	18	2.0
Residential builders (8)		10.7	4.7	4.7	40.2		8.0	-15.9		7.0	-63.8	837	14	1.3
Cement & gypsum (9)		11.7	def	1.0	31.8		8.9	-7.9		-4.1	P-D	512	-16	-1.6
Other materials (12)		5.7	def	1.0	51.4		9.6	-11.0		NM	P-D	513	-7	-0.6
Travel (17)	21	**9.4**	**0.2**	**2.3**	**50.4**	3	**12.6**	**9.0**	19	**NM**	**P-D**	**1,436**	**1**	**0.1**
Airlines (8)		7.3	def	def	45.7		18.3	9.7		NM	P-D	6,031	-242	-2.7
Hotels & gaming (9)		17.0	8.9	6.6	54.5		8.8	6.8		-4.3	-19.5	1,019	27	3.0
All-industry medians		**13.2**	**9.9**	**7.6**	**32.4**		**11.3**	**3.7**		**4.5**	**-5.9**	**1,436**	**40**	**2.9**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NM: Not meaningful. For further explanation, see page 95.

WHO'S WHERE IN THIS ISSUE

This alphabetic summary compares the five-year relative performance of all 1,209 companies in this year's industry survey. The table shows how each company was ranked on five-year earnings growth, five-year stock market performance and five-year return on equity. The last column in the table gives the page number of the firm's industry survey report.

Company	RANK Growth	Stock market	Profitability	Page
AAR Corp	498	869	594	98
Abbott Laboratories	246	130	47	158
Acme Steel	NM	412	874	166
Adia Services	206	524	449	98
Advanced Micro	NM	796	1050	112
ADVO-System	NM	89	367	140
Aetna Life & Cas	NM	918	706	162
Affiliated Pubs	NM	**	106	140
HF Ahmanson	618	922	714	144
Air & Water Tech	**	**	1093	98
Air Express Intl	166	249	72	172
Air Prods & Chems	411	254	387	108
Airborne Freight	287	485	630	172
Akzo	NM	**	522	108
Alaska Air Group	NM	745	805	174
Albany International	NM	576	289	156
Alberto-Culver	149	106	305	126
Albertson's	175	67	151	148
Alcan Aluminium	104	375	382	166
Alco Standard	317	384	275	98
Alexander & Alexander	524	895	391	162
Alexander & Baldwin	265	639	123	172
Alexander's	NM	894	990	168
Alleghany	528	359	736	162
Allegheny Ludlum	382	470	15	166
Allegheny Power	NM	745	569	130
Allen Group	NM	524	1010	120
Allergan	**	**	**	158
Alliant Techsystems	**	**	**	96
Allied Products	NM	1091	1069	102
Allied-Signal	NM	767	460	96, 120
Alltel	344	206	329	112
Alcoa	257	313	575	166
ALZA	**	**	**	158
AM International	NM	1080	1057	98
AMAX	110	383	180	166
AMC Entertainment	NM	971	1085	140
Amdahl	45	649	293	112
Amerada Hess	48	180	506	134
America West Airlines	NM	1081	1112	174
American Bankers	NM	556	792	162
American Brands	322	280	204	152
American Building	335	381	655	98
American Capital	NM	1113	1120	144
American Cyanamid	223	441	456	158
American Electric	549	660	553	130
American Express	610	925	383	144
American Family	428	227	316	162
American General	546	589	688	162
American Greetings	NM	479	694	140
American Home Prods	NM	257	6	158
American Intl Group	170	335	256	162
American Maize	NM	755	946	152
American Medical	**	**	**	158
American Natl Ins	598	818	840	162
American Oil & Gas	NM	155	1106	134
American President	NM	471	1008	172
American Stores	NM	687	622	148
American Tel & Tel	82	442	585	112
American Water Works	NM	636	765	130
Ameritech	513	497	411	112
Ameritrust	NM	388	969	144
Ameron	542	626	782	116
Ames Dept Stores	NM	1101	1122	168
Ametek	518	775	242	102
Amgen	**	**	**	158
Amoco	450	414	561	134
AMP	196	454	259	112
AMR	NM	663	834	174
AmSouth Bancorp	NM	743	518	144
Anacomp	NM	791	1100	98
Analog Devices	NM	1005	936	112
Anchor Bancorp	NM	738	1090	144
Angelica	521	469	583	158
Anheuser-Busch Cos	294	225	152	152
AnnTaylor Stores	**	**	**	168
Aon	539	489	361	162
Apogee Enterprises	301	438	334	116
Apple Computer	217	140	69	112
Applied BioScience	**	**	**	158
Applied Biosystems	**	**	**	158
Applied Magnetics	NM	871	1027	112
Applied Materials	NM	133	495	112
Applied Power	660	347	372	102
Arbor Drugs	227	109	244	168
Archer Daniels	289	101	484	152
Arden Group	87	419	68	148
Argonaut Group	108	56	96	162
Arkla	NM	873	933	134
Armco	NM	814	964	166

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity.
NM: Not meaningful. **Not ranked.

Company	RANK Growth	Stock market	Profitability	Page
Armstrong World Inds	432	753	407	120
Arrow Electronics	NM	172	1018	112
Arvin Industries	661	892	907	120
Asarco	655	385	403	166
Ashland Oil	NM	717	573	134
AST Research	220	122	206	112
Atari	NM	1059	1061	112
Guy F Atkinson	NM	1013	1086	116
Atlanta Gas Light	554	416	724	134
Atlantic Energy	538	699	584	130
Atlantic Richfield	100	270	110	134
Automatic Data	264	203	213	98
AutoZone	13	**	53	168
Avery Dennison	193	711	809	98
Avnet	169	770	855	112
Avon Products	NM	468	300	126
Avondale Industries	NM	1055	1055	96
Aztar	NM	812	927	174
J Baker	437	825	229	168
Baker Hughes	53	424	838	134
Ball Corp	603	774	716	156
Bally Manufacturing	NM	1070	1095	174
Baltimore G&E	599	779	645	130
Banc One	386	173	335	144
Bancorp Hawaii	275	194	273	144
Bandag	240	123	25	120
Bank of Boston	NM	1023	1026	144
Bank of New York	NM	880	774	144
BankAmerica	NM	149	781	144
Bankers Trust NY	NM	495	847	144
Banta	494	426	483	140
CR Bard	523	439	269	158
Barnes Group	516	579	617	120
Barnett Banks	NM	759	562	144
Baroid	NM	**	**	134
Bassett Furniture Ind	666	790	923	120
Bausch & Lomb	324	126	325	158
Baxter International	NM	258	857	158
BayBanks	NM	993	920	144
Bear Stearns Cos	NM	511	420	144
Bearings	174	529	836	102
Beckman Instruments	NM	781	531	158
Becton Dickinson	364	566	339	158
Bell Atlantic	553	509	529	112
Bell Industries	NM	958	943	112
BellSouth	564	580	545	112
AH Belo	NM	680	772	140
Bemis	208	119	327	156
Beneficial Corp	NM	725	570	144
Bergen Brunswig	199	208	402	158
WR Berkley	210	403	297	162
Berkshire Hathaway	NM	91	696	162
Best Buy Co	NM	205	824	168
Bethlehem Steel	NM	248	997	166
Betz Laboratories	345	103	167	108
Beverly Enterprises	NM	996	1066	158
Big B	NM	686	925	168
Bindley Western Inds	NM	449	804	158
Biogen	**	**	**	158
Birmingham Steel	211	393	121	166
Black & Decker	NM	766	848	120
Blair	281	404	71	168

Company	RANK Growth	Stock market	Profitability	Page
H&R Block	279	84	109	144
Block Drug	366	160	425	126
Blockbuster	8	3	61	168
Blount	12	1011	551	116
Boatmen's Bancshs	496	548	712	144
Bob Evans Farms	429	415	414	148
Boeing	326	242	416	96
Boise Cascade	NM	924	677	156
Borden	325	525	532	152
Boston Edison	620	824	895	130
Bowater	406	929	492	156
Briggs & Stratton	544	655	826	102
Brinker Intl	116	34	286	148
Bristol-Myers Squibb	329	246	113	158
British Petroleum	**	351	**	134
Broad	NM	**	899	162
Broken Hill	272	117	163	134
Brooke Group	NM	906	1126	152
Brooklyn Union Gas	NM	539	660	134
Brown-Forman	390	293	176	152
Brown Group	NM	888	817	168
Browning-Ferris Inds	643	874	726	98
Bruno's	253	303	243	148
Brunswick	NM	916	764	120
Burlington Coat	481	592	604	168
Burlington Northern	587	389	224	172
Burlington Resources	**	588	**	134
Butler Manufacturing	353	1031	664	116
Cablevision Systems	NM	311	1131	140
Cabot	NM	721	549	108
Caesars World	466	360	172	174
Caldor	**	**	**	168
CalFed	NM	1104	999	144
Calgene	**	**	**	158
California Biotech	**	**	**	158
CalMat	297	785	397	116
Cambridge Biotech	**	**	**	158
Campbell Soup	NM	133	704	152
C&S/Sovran	NM	613	489	144
Capital Cities/ABC	157	428	430	140
Capital Holding	495	361	341	162
Cardinal Distribution	302	40	404	158
Carl Karcher	NM	458	508	148
Carlisle Cos	517	553	690	120
Carnival Cruise Lines	184	277	55	174
Carolina Freight	685	977	953	172
Carolina Power & Lt	NM	550	682	130
Carpenter Technology	49	396	759	166
Carter Hawley Hale	NM	1076	**	168
Carter-Wallace	343	118	388	126
Casey's General Store	535	745	595	148
AM Castle & Co	NM	464	674	166
Caterpillar	222	714	775	102
CBI Industries	34	420	906	116
CBS	675	667	77	140
CDI	401	662	231	98
Centel	NM	287	245	112
Centerior Energy	628	854	850	130
Centex	472	597	701	116
Centocor	**	**	**	158
Central & So West	NM	433	558	130
Central Hudson G&E	NM	813	778	130

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity.
NM: Not meaningful. **Not ranked.

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Company	RANK Growth	Stock market	Profitability	Page
Central Maine Power	558	694	679	130
Central Newspapers	555	**	499	140
Central Steel & Wire	NM	521	596	166
Champion Intl	387	867	717	156
Charming Shoppes	551	713	272	168
Charter	**	288	153	134
Chase Manhattan	NM	1004	1043	144
Chemed	611	889	376	108
Chemical Banking	NM	978	1002	144
Chesapeake	359	562	599	156
Chevron	NM	413	770	134
Child World	NM	1095	1105	168
Chiquita Brands Intl	177	55	365	152
Chiron	**	**	**	158
Chrysler	676	1012	756	120
Chubb	81	179	291	162
Church & Dwight	185	175	471	126
Cigna	637	783	786	162
CILcorp	NM	804	619	130
Cincinnati Bell	316	241	354	112
Cincinnati Financial	311	264	439	162
Cincinnati G&E	461	457	343	130
Cincinnati Milacron	NM	1034	1036	102
Cipsco	NM	780	670	130
Circle K	NM	1103	1118	148
Circuit City Stores	181	467	120	168
Circus Circus	137	59	26	174
Citicorp	NM	1028	935	144
Clark Equipment	NM	583	887	102
Clorox	NM	423	457	126
CMS Energy	NM	654	996	130
CNA Financial	482	344	479	162
Coachmen Industries	NM	1030	1059	120
Coast Savings Finl	NM	1024	1073	144
Coastal Corp	293	255	589	134
Coca-Cola	224	62	27	152
Coca-Cola Bottling	NM	956	1046	152
Coca-Cola Enterprises	NM	808	922	152
Colgate-Palmolive	119	247	169	126
Collaborative Resrch	**	**	**	158
Collagen	**	**	**	158
Columbia Gas System	534	1027	863	134
Comcast	NM	199	1117	140
Comdisco	NM	466	464	98
Comerica	243	156	385	144
Commerce Bcshs	362	286	538	144
Commerce Clearing	574	965	170	140
Commercial Federal	NM	1044	1037	144
Commercial Intertech	384	542	749	102
Commercial Metals	454	357	678	144
Commonwealth Ed	632	594	860	130
Commonwealth Energy	612	788	731	130
Commtron	318	893	556	140
Comsat	NM	584	957	112
Compaq Computer	23	111	28	112
Computer Associates	88	493	100	112
Computer Sciences	213	376	452	98
ConAgra	295	167	155	152
Conner Peripherals	11	304	14	112
Conseco	21	8	24	162
Consolidated Edison	550	704	582	130
Consol Freightways	NM	1025	961	172

Company	RANK Growth	Stock market	Profitability	Page
Consol Natural Gas	573	535	715	134
Consolidated Papers	393	476	227	156
Consolidated Rail	595	116	885	172
Consolidated Stores	665	864	854	168
Constar Intl	438	437	517	156
Continental Airlines	NM	1105	1114	174
Continental Bank	NM	1017	1022	144
Continental Corp	NM	964	905	162
Control Data	NM	1038	1099	112
Cooper Industries	290	150	587	102
Cooper Tire & Rubber	105	18	252	120
Adolph Coors	658	857	966	152
Cordis	**	**	**	158
CoreStates Financial	625	565	501	144
Corning	232	110	381	112, 158
Costco Wholesale	10	15	323	168
CPC International	159	220	90	152
Crane	99	474	240	102
Crawford & Co	229	75	131	162
Cray Research	526	960	191	112
Crestar Financial	NM	935	621	144
Crown Central Pet	657	278	785	134
Crown Cork & Seal	388	137	500	156
CRSS	687	291	729	98
Crystal Brands	39	811	815	126
CSX	352	297	752	172
CUC International	242	**	959	168
Culbro	684	1003	916	152
Cummins Engine	NM	910	1089	120
Curtice Burns Foods	639	807	754	152
Cyclops Industries	**	878	74	166
Cyprus Minerals	20	252	574	166
Dairy Mart	NM	839	831	148
Dana	NM	886	641	120
Danaher	42	87	87	120
Dart Group	NM	1016	952	168
Data General	NM	991	1060	112
Datapoint	NM	1009	1116	112
Dayton Hudson	334	477	317	168
Dean Foods	360	362	223	152
Deere & Co	NM	190	737	102
Delchamps	266	745	509	148
Dell Computer	33	183	65	112
Delmarva Power & Lt	651	792	746	130
Delta Air Lines	NM	577	913	174
Delta Woodside Inds	NM	83	99	126
Deluxe	421	703	81	98
Detroit Edison	525	218	616	130
Dexter	460	820	543	108
Diagnostic Products	**	**	**	158
Dial	671	488	886	126
Diamond Shamrock	9	158	328	134
Dibrell Brothers	320	32	226	152
Diebold	NM	697	806	98
Digital Equipment	NM	954	951	112
Dillard Dept Stores	237	74	337	168
Dime Savings Bank FSB	NM	1068	1081	144
Walt Disney	189	142	141	140
Dixie Yarns	646	1019	798	126
Dole	102	266	466	152
Dollar General	NM	310	767	168
Dominion Bankshares	NM	976	825	144

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity.
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WHO'S WHERE IN THIS ISSUE

Company	RANK Growth	Stock market	Profitability	Page
Dominion Resources	552	544	554	130
Donaldson	327	196	444	102
RR Donnelley & Sons	434	400	340	140
Douglas & Lomason	NM	852	986	120
Dover	300	382	236	102
Dow Chemical	171	526	97	108
Dow Jones	NM	946	211	140
DPL	209	472	450	130
DQE	NM	162	709	130
Dravo	NM	1033	1041	116
Dresser Industries	NM	215	822	134
Drug Emporium	98	876	268	168
DSC Communications	200	850	828	112
El du Pont de Nemours	260	364	445	108, 134
Duke Power	508	495	539	130
Dun & Bradstreet	444	819	127	140
Duracell Intl	**	**	980	126
Durr-Fillauer	250	125	491	158
DWG	NM	536	1038	126
Dynatech	589	955	577	112
E-Systems	374	573	375	96
Eagle Food Centers	NM	**	812	148
Eagle-Picher Inds	NM	1106	1109	102
Eastern Enterprises	118	776	681	134
Eastman Kodak	282	734	579	126
Eaton	445	647	344	120
Echlin	592	959	856	120
Ecolab	NM	571	475	98
Edison Bros Stores	NM	261	279	168
AG Edwards	478	234	357	144
EG&G	473	411	178	102
Egghead	NM	434	965	168
El Paso Electric	NM	1064	1068	130
Eljer Industries	**	**	**	116
Emerson Electric	425	332	225	102
Emerson Radio	NM	1058	1074	120
Engelhard	475	343	942	166
Enron	NM	276	735	134
Enserch	NM	784	994	134
Entergy	365	200	938	130
Enzo Biochem	**	**	**	158
Equifax	400	515	207	98
Equitable of Iowa	567	319	795	162, 168
Equitable Resources	NM	688	720	134
ERLY Industries	NM	919	1039	152
ESCO Electronics	**	**	**	96
Ethyl	176	494	157	108
Everex Systems	NM	941	873	112
Exxon	NM	340	494	134
Fairchild	NM	875	472	96
Family Dollar Stores	505	307	345	168
Fay's	68	530	377	168
Federal Express	NM	951	897	172
Federal Home Loan Mtg	314	**	78	144
Federal-Mogul	NM	872	869	120
Federal Natl Mortgage	19	41	76	144
Federal Paper Board	25	272	149	156
Federal Signal	145	42	267	102
Ferro	270	124	644	108
FHP International	83	108	32	158
Fieldcrest Cannon	NM	1020	1021	120
Fifth Third Bancorp	376	86	326	144

Company	RANK Growth	Stock market	Profitability	Page
Figgie Intl	443	653	409	98
Fina	NM	410	671	134
Finevest Foods	NM	1107	1124	148
First American Corp	NM	931	1020	144
First American Finl	673	822	745	162
First Bank System	NM	800	1014	144
First Brands	NM	**	39	126
First Chicago	NM	845	708	144
First City Bncp Texas	**	1099	**	144
First Fidelity Bncp	NM	847	954	144
First Financial Mgmt	51	96	421	98
First Interstate Bncp	NM	948	982	144
First Mississippi	683	453	884	108
First of America Bank	541	503	480	144
First Security	85	314	811	144
First Tennessee Natl	NM	603	657	144
First Union	NM	620	368	144
Firstar	NM	296	424	144
FirstFed Michigan	682	962	877	144
Fisher-Price	**	**	**	126
Fleet/Norstar Finl	NM	786	740	144
Fleetwood Enterprises	NM	513	580	120
Fleming Cos	543	706	666	148
Florida Progress	570	652	524	130
Florida Rock Inds	576	843	359	116
Flowers Industries	NM	840	436	152
Fluor	5	79	559	116
FMC	131	282	1131	108
Food Lion	124	77	66	148
Foodarama Supermkts	635	728	876	148
Ford Motor	NM	836	313	120
Foremost Corp of Amer	NM	981	882	162
Foster Wheeler	NM	302	898	116
Foundation Health	NM	**	1131	158
FPL Group	NM	673	934	130
Freeport-McMoRan	72	174	23	108
Fremont General	NM	431	841	162
Fruehauf Trailer	**	**	**	120
Fruit of the Loom	167	31	165	126
HB Fuller	529	193	629	108
Fuqua Industries	NM	945	753	126
Gamma Biologicals	**	**	**	158
Gannett	420	732	201	140
Gap	109	20	44	168
GATX	95	401	306	144
Gaylord Container	NM	1066	1107	156
Geico	480	250	104	162
GenCorp	306	1018	164	96
Genentech	**	**	**	158
General Cinema	158	851	43	140
General Dynamics	NM	901	979	96
General Electric	303	397	247	96, 102
General Host	NM	980	977	168
General Mills	163	88	10	152
General Motors	NM	794	910	120
General Motors EDS	207	37	487	98
GM Hughes Electronics	435	861	976	96
General Public Utils	238	182	505	130
General Re	86	362	232	162
General Signal	NM	658	948	102
Genesco	NM	356	315	168
Genetics Institute	**	**	**	158

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity.
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Company	RANK Growth	Stock market	Profitability	Page
Geneva Steel	**	**	**	166
Genlyte Group	605	917	**	102
Genovese Drug Stores	371	186	555	168
Genuine Parts	350	429	189	120
Genzyme	**	**	**	158
Georgia Gulf	70	**	8	108
Georgia-Pacific	141	532	285	156
Gerber Products	89	73	146	152
Getty Petroleum	NM	856	442	168
Giant Food	212	318	133	148
Gibson Greetings	389	420	248	126
Gillette	225	64	58	126
Gitano Group	NM	891	94	126
PH Glatfelter	172	184	129	156
Glaxo Holdings	262	46	56	158
GlenFed	NM	1073	993	144
Golden West Finl	NM	232	254	144
BF Goodrich	15	801	608	108
Goodyear	NM	635	687	120
Goulds Pumps	430	547	718	102
WR Grace	456	377	700	108
WW Grainger	347	229	331	102
Granite Construction	354	**	370	116
Great American Mgmt	NM	393	698	102
Great A&P Tea	173	633	511	148
Great Lakes Chemical	65	21	150	108
Gt Western Financial	648	865	750	144
Grey Advertising	398	508	519	140
Grossman's	NM	1039	643	168
Grow Group	NM	834	1056	108
Grumman	NM	899	839	96
GTE	467	368	380	112
Guilford Mills	575	664	875	126
Gulf States Utils	NM	516	1012	130
Hadson	NM	1068	1111	134
Frank B Hall	NM	1062	1130	162
Halliburton	29	522	944	134
Handleman	NM	554	302	140
Handy & Harman	216	987	902	166
MA Hanna	NM	280	593	108
Hannaford Bros	215	139	235	148
Hanover Insurance	363	631	448	162
Hanson	130	323	217	152
Harley-Davidson	41	12	46	120
Harman International	NM	939	891	120
Harnischfeger Inds	27	575	799	102
Harper Group	255	312	431	172
Harris Corp	645	870	909	112
Harsco	NM	685	721	96
Hartford Steam Boiler	236	191	105	162
Hartmarx	NM	1047	1013	168
Hasbro	NM	309	673	126
Hawaiian Electric	NM	632	744	130
Hechinger	NM	907	730	168
HJ Heinz	328	263	95	152
Helene Curtis Inds	672	146	763	126
Henley Group	NM	**	**	158
Hercules	NM	849	819	108
Hershey Foods	332	406	239	152
Hewlett-Packard	458	644	496	112
Hexcel	662	999	872	96
Hibernia	NM	1071	705	144

Company	RANK Growth	Stock market	Profitability	Page
Highland Superstores	NM	1097	1028	168
Hillenbrand Inds	249	131	230	158
Hillhaven	**	**	**	158
Hills Dept Stores	NM	1081	1129	168
Hilton Hotels	547	604	463	174
Holly Corp	NM	61	1	134
Holnam	NM	**	962	116
Home Depot	24	2	98	168
Home Shopping	NM	1043	878	168
HomeFed	NM	1112	1000	144
Homestake Mining	NM	561	853	166
HON Industries	348	251	107	98
Honda Motor	588	505	788	120
Honeywell	NM	245	477	102
Geo A Hormel	259	152	371	152
Horn & Hardart	NM	1072	1119	168
Houghton Mifflin	NM	827	633	140
Household Intl	418	793	238	144
Houston Industries	596	650	695	130
Howell	NM	520	967	134
Hubbell	383	228	241	102
Hudson Foods	NM	970	654	152
Huffy	135	57	486	120
Hughes Supply	644	908	865	116
Humana	76	267	195	158
JB Hunt Transport	381	730	190	172
Huntington Bcshs	531	448	537	144
IBP	NM	716	791	152
ICF Intl	7	**	82	98
ICH	NM	1077	1104	162
ICN Biomedicals	**	**	**	158
IES Industries	298	608	426	130
IGI	**	**	**	158
Illinois Central	**	**	**	172
Illinois Power	NM	877	1033	130
Illinois Tool Works	75	163	196	102
IMC Fertilizer Group	NM	657	544	108
Imcera Group	47	51	797	158
Immucor	**	**	**	158
Immunex	**	**	**	158
Imo Industries	NM	328	835	102
Imperial Chemical Inds	402	486	338	108
Imperial Holly	NM	239	352	152
INB Financial	NM	568	639	144
Inco	18	112	20	166
Independent Insurance	385	737	776	162
Ingersoll-Rand	202	202	567	102
Ingles Markets	522	745	623	148
Inland Steel Inds	NM	707	911	166
Inspiration Resources	NM	860	1058	108
Instrument Systems	NM	115	864	126
Intel	142	92	220	112
Intelligent Electron	1	19	59	168
Interco	NM	1096	974	120
Interface	204	702	342	98
Intergraph	559	736	600	112
Interlake	NM	1089	900	102
IBM	NM	868	540	112
Intl Flavors & Frags	274	154	237	108
Intl Multifoods	NM	371	723	152
International Paper	69	273	498	156
Intl Specialty Prods	**	**	**	108

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Company	RANK Growth	Stock market	Profitability	Page
Interpublic Group	269	138	192	140
Interstate Bakeries	**	**	**	152
InterTAN	674	350	683	168
Iowa-Illinois G&E	NM	677	572	130
Ipalco Enterprises	NM	517	470	130
Itel	NM	534	903	112
ITT	138	744	675	162
Jacobs Engineering	17	7	174	116
James River Corp Va	624	952	845	126
Jamesway	NM	1041	1019	168
Jefferson-Pilot	483	367	741	162
Johnson & Johnson	165	95	91	126, 158
Johnson Controls	NM	618	794	120
Jostens	462	326	63	168
JWP	61	262	124	98
Kaman	600	950	689	96
Kansas City P&L	566	378	699	130
Kansas City Southern	NM	676	956	172
Kansas Gas & Elec	NM	450	833	130
Kansas Power & Light	571	741	590	134
Kaufman & Broad Home	367	504	158	116
Kellogg	380	235	52	152
Kellwood	641	756	652	126
Kelly Services	231	611	79	98
Kemper	132	446	650	162
Kennametal	492	569	586	102
Kentucky Central Life	609	994	783	162
Kentucky Utilities	449	581	478	130
Kerr Glass Mfg	NM	938	1034	156
Kerr-McGee	188	478	862	134
KeyCorp	503	285	473	144
Keystone Intl	187	185	263	102
Kimball International	509	509	468	120
Kimberly-Clark	304	168	202	126
King World Prods	63	99	3	140
Kmart	369	475	527	168
KN Energy	263	519	904	134
Knight-Ridder	407	757	212	140
Kroger	649	237	975	148
LA Gear	3	26	5	126
La-Z-Boy Chair	560	445	526	120
Laclede Gas	601	745	684	134
LADD Furniture	NM	1005	432	120
Lafarge	96	559	665	116
Lancaster Colony	80	268	465	152
Lance	451	665	200	152
Lands' End	391	197	48	168
Leggett & Platt	NM	490	408	120
Lennar	477	374	760	116
Leslie Fay Cos	351	417	309	126
Leucadia National	NM	210	274	162
LG&E Energy	565	591	625	130
Liberty Corp	NM	587	748	162
Life Technologies	**	**	**	158
Lifetime	43	487	742	158
Eli Lilly	283	223	119	158
Limited	214	373	62	168
Lincoln Electric	NM	461	733	102
Lincoln National	NM	656	758	162
Lionel	NM	1092	1007	168
Litton Industries	NM	617	680	96
LIVE Entertainment	93	835	214	140

Company	RANK Growth	Stock market	Profitability	Page
Liz Claiborne	151	316	41	126
Lockheed	NM	841	428	96
Loctite	121	69	137	108
Loews	375	298	179	162
Lone Star Tech	NM	926	1065	166
Long Island Lighting	602	159	937	130
Longs Drug Stores	358	598	332	168
Longview Fibre	161	334	182	156
Loral	412	799	347	96
Lotus Development	NM	482	115	112
Louisiana Land	NM	498	945	134
Louisiana-Pacific	112	527	634	156
Lowe's Cos	493	682	662	168
LSI Logic	NM	912	1042	112
LTV	NM	941	1131	166
Lubrizol	160	354	209	108
Lukens	54	47	253	166
Lyondell Petrochem	**	**	**	108
M/A-Com	NM	998	1044	112
Magma Copper	NM	831	358	166
MagneTek	28	**	21	102
MAI Systems	NM	1108	1094	112
Manor Care	NM	593	620	158
Manufacturers Hanover	NM	963	1025	144
Manufacturers Natl	433	212	427	144
Manville	NM	986	**	116
Mapco	219	217	175	134
Marion Merrell Dow	234	358	36	158
Mark IV Industries	57	148	60	102
Marriott	629	968	276	174
Marsh & McLennan Cos	395	623	34	162
Marsh Supermarkets	292	292	389	148
Marshall & Ilsley	506	275	443	144
Marshall Industries	64	147	400	112
Martin Marietta	396	480	92	96
Masco	582	890	534	116
Masco Industries	NM	1022	813	120
Mattel	NM	45	148	126
Maxtor	NM	1052	1003	112
Maxus Energy	NM	669	1123	134
Maxxam	NM	68	12	166
May Dept Stores	117	430	261	168
Maytag	586	949	197	120
MBNA	256	**	143	144
McCaw Cellular	NM	338	1072	112
McClatchy Newspapers	417	679	475	140
McCormick & Co	77	39	147	152
McDermott Intl	NM	866	1088	102
McDonald's	313	346	188	148
McDonnell Douglas	654	740	846	96
McGraw-Hill	NM	771	392	140
MCI Communications	30	38	132	112
McKesson	548	648	659	158
MCN	650	549	419	134
MDC Holdings	NM	1090	1102	116
Mead	NM	640	614	156
Medco Containment	59	28	821	168
Media General	NM	789	844	140
Medtronic	239	49	171	158
Mellon Bank	NM	940	1032	144
Melville	333	405	183	126
Mercantile Bancorp	NM	556	908	144

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Company	RANK Growth	Stock market	Profitability	Page
Mercantile Stores	530	772	515	168
Merck	106	63	13	158
Mercury General	129	299	139	162
Meredith	310	885	669	140
Meridian Bancorp	664	718	751	144
Merisel	NM	574	186	112
Meritor Savings Bank	NM	1094	1110	144
Merrill Lynch	608	481	920	144
Merry-Go-Round	74	24	80	168
Fred Meyer	499	330	773	168
Michael Foods	122	339	125	152
Michigan National	330	641	390	144
MicroAge	NM	295	320	168
Micron Technology	NM	100	284	112
Microsoft	36	6	16	112
Midlantic	NM	1087	894	144
Midwest Resources	NM	777	642	130
Herman Miller	627	863	578	98
Millipore	NM	692	607	98
Mine Safety Appliance	488	512	697	98
Minn Mining & Mfg	285	418	181	98
Minnesota Power & Lt	NM	745	490	130
Mirage	NM	128	598	174
Mitchell Energy	321	436	950	134
MLX	NM	1109	1113	116
MNC Financial	NM	1067	988	144
Mobil	447	349	649	134
Modine Manufacturing	441	260	379	120
Molecular Biosystems	**	**	**	158
Molex	338	333	453	112
Monsanto	309	345	446	108
Montana Power	NM	555	779	130
Moore Corp	NM	742	603	98
JP Morgan & Co	NM	432	926	144
Morgan Products	NM	1029	917	116
Morgan Stanley	247	127	93	144
Morrison	245	455	395	148
Morrison Knudsen	NM	802	1017	116
Morton International	465	**	488	108
Motorola	58	320	571	112
Multimedia	37	407	1131	140
Murphy Oil	NM	501	940	134
Nacco Industries	479	370	333	102
Nalco Chemical	299	144	144	108
Nash Finch	545	745	676	148
Nashua	470	803	653	98
National City	419	666	349	144
Natl Convenience	NM	1075	1071	148
National Education	NM	1007	987	98
National Fuel Gas	NM	558	725	134
National Health Labs	91	93	187	158
National Intergroup	NM	684	1096	158
National Medical	111	605	304	158
Natl Semiconductor	NM	1001	1078	112
National Service	606	798	613	102
Navistar Intl	NM	974	867	120
NBD Bancorp	377	192	398	144
NCH	147	195	255	108
NCNB	378	352	384	144
Neiman Marcus Group	NM	887	1029	168
New England Electric	NM	669	602	130
New Valley	NM	1102	1127	144

Company	RANK Growth	Stock market	Profitability	Page
NY State E&G	NM	842	691	130
New York Times	NM	985	278	140
Newell Co	115	17	228	120
Newmont Mining	190	563	971	166
Niagara Mohawk Power	681	723	947	130
Nicor	NM	353	283	134
NIKE	40	10	45	126
Nipsco Industries	66	188	830	130
Nissan Motor	155	440	949	120
NL Industries	50	975	**	108
Noland	614	933	929	116
Nordstrom	271	341	282	168
Norfolk Southern	413	211	722	172
Nortek	NM	1088	1079	116
Northeast Federal	NM	1084	1101	144
Northeast Utilities	572	782	661	130
No States Power	NM	606	552	130
Northern Telecom	502	105	510	112
Northern Trust	NM	169	406	144
Northrop	NM	966	881	96
Norwest	NM	145	413	144
Novell	26	4	35	112
Nucor	459	120	459	166
NWNL	519	769	702	162
Nynex	579	619	686	112
Occidental Petroleum	NM	900	1063	134
Office Depot	NM	53	656	168
Ogden	634	816	435	98
Ohio Casualty	336	615	454	162
Ohio Edison	604	731	707	130
Oklahoma G&E	471	614	451	130
Old Kent Financial	510	392	363	144
Old Republic Intl	468	315	461	162
Olin	416	681	514	108
Olsten	323	284	203	98
Omnicom Group	373	422	257	140
Oneida	663	463	647	120
Oneok	NM	805	807	134
Oracle Systems	NM	22	122	112
Orange & Rockland	562	683	566	130
Orion Capital	NM	621	624	162
Orion Pictures	NM	1065	1051	140
Oryx Energy	**	720	**	134
Oshkosh Truck	NM	967	914	96
Outboard Marine	NM	937	1040	120
Owens & Minor	NM	121	784	158
Owens-Corning	NM	460	1131	116
Oxford Industries	NM	695	932	126
Paccar	346	219	374	120
Pacific Enterprises	NM	992	890	134, 168
Pacific G&E	578	586	823	130
Pacific Telesis	536	402	516	112
PacifiCare Health	90	27	117	158
PacifiCorp	504	543	485	130
PaineWebber Group	NM	817	1016	144
Pall	392	221	292	108
Pamida Holdings	NM	**	9	168
Panhandle Eastern	NM	989	1075	134
Paramount Commun	179	572	116	140
Parker Hannifin	580	643	743	102
Penn Central	NM	809	893	102
Penn Traffic	NM	317	1128	148

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Company	RANK Growth	Stock market	Profitability	Page
JC Penney	319	459	412	168
Pennsylvania P&L	446	499	520	130
Pennzoil	103	832	1077	134
Pentair	414	342	550	102
People's Bank	**	1035	**	144
Peoples Energy	NM	551	548	134
Pep Boys	442	567	530	168
PepsiCo	241	70	88	152
Perini	NM	1036	963	116
Perkin-Elmer	NM	609	1015	158
Perry Drug Stores	NM	915	1054	168
Pet	**	**	**	152
Petrie Stores	670	884	939	168
Petroleum Heat & Pwr	NM	882	1076	134
Pfizer	507	178	312	158
Phelps Dodge	16	65	128	166
PHH	NM	700	628	98
Philadelphia Elec	NM	722	829	130
Philip Morris Cos	156	52	50	152
Philips Electronics	NM	773	1070	120
Phillips Petroleum	452	222	295	134
Phillips-Van Heusen	403	170	64	126
PHM	254	444	610	116
Pic'N'Save	617	758	299	168
Piedmont Natural Gas	305	473	482	134
Pier 1 Imports	NM	764	469	168
Pilgrim's Pride	NM	909	434	152
Pinkerton's	79	**	112	98
Pinnacle West	NM	983	1030	130
Pioneer Financial Svs	NM	828	832	162
Pioneer Hi-Bred Intl	409	214	507	152
Pitney Bowes	485	387	321	98
Pittston	NM	484	984	172
Pittway	591	**	793	120
Ply Gem Industries	NM	947	808	116
PNC Financial	668	709	667	144
Polaroid	194	879	727	126
Pope & Talbot	126	610	262	156
Portland General	NM	1000	871	130
Potlatch	150	596	415	156
Potomac Electric	NM	760	441	130
PPG Industries	307	533	233	120
Precision Castparts	235	253	250	96
Premark Intl	619	336	734	120
Premier Bancorp	NM	826	1092	144
Premier Industrial	268	209	83	102
Preston	NM	1051	1048	172
Price Co	273	306	166	168
Primerica	44	325	533	144
Procter & Gamble	113	204	270	126
Progressive	276	366	136	162
Promus Cos	**	**	**	174
Provident Life & Acc	512	726	612	162
PS Group	NM	719	924	98
PSI Resources	490	598	42	130
Public Service Colo	491	502	481	130
Public Service NM	NM	1057	1006	130
Pub Svc Enterprise	515	735	563	130
Puget Sound P&L	NM	589	591	130
Pulitzer Publishing	474	928	2	140
Quaker Oats	394	337	134	152
Quaker State	NM	973	968	134

Company	RANK Growth	Stock market	Profitability	Page
Quanex	6	16	437	166
Quantum	NM	198	103	112
Quantum Chemical	NM	1048	631	108
Questar	NM	627	802	134
QVC Network	NM	768	941	168
Ralston Purina	556	425	37	152
Raychem	NM	693	1009	112
Raytheon	340	628	145	96
Reader's Digest Assn	140	**	19	140
Reebok International	218	171	70	126
Reliance Group	NM	979	193	162
Repligen	**	**	**	158
Republic New York	NM	698	790	144
Rexene	**	1100	**	108
Reynolds & Reynolds	NM	823	319	98
Reynolds Metals	107	132	281	166
Rhone-Poulenc	NM	**	438	108
Rhone-Poulenc Rorer	405	36	581	158
Richfood Holding	**	379	**	148
Riggs National	NM	1074	1004	144
Riser Foods	**	447	249	148
Rite Aid	431	541	308	168
RJR Nabisco	**	**	**	152
Roadway Services	404	365	546	172
Robertson-Ceco	NM	1078	1083	116
Rochester G&E	NM	795	757	130
Rochester Telephone	NM	465	606	112
Rockwell Intl	540	674	311	96
Rohm & Haas	422	645	348	108
Rohr Industries	583	902	912	96
Rollins	439	443	22	98
Rose's Stores	NM	1042	1001	168
Ross Stores	198	72	360	168
Rouse	NM	905	820	144
RPM	342	289	324	108
Rubbermaid	252	143	168	120
Ruddick	361	229	523	148
Russell	288	408	314	126
Ryder System	677	982	888	144
Rykoff-Sexton	NM	846	818	148
Ryland Group	464	651	198	116
Safeco	372	395	318	162
Safeguard Scientifics	203	733	246	98
Safety-Kleen	278	259	184	98
Safeway	NM	**	1131	148
St Joe Paper	NM	**	780	156
St Paul Cos	114	355	298	162
Salant	NM	1056	1121	126
Salem Carpet Mills	622	1026	766	126
Sallie Mae	148	187	38	144
Salomon	NM	896	796	144
San Diego G&E	NM	540	467	130
Santa Fe Pacific	NM	**	**	172
Sara Lee	277	102	218	152
Savannah Foods	101	113	161	152
Savin	NM	1110	1125	98
Scana	487	671	394	130
SCEcorp	557	528	455	130
Schering-Plough	182	81	111	158
Schlumberger	120	226	648	134
A Schulman	180	78	216	108
Schultz Sav-O Stores	399	207	393	148

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Charles Schwab	**	23	816	144
SCI Systems	679	984	896	112
Scientific-Atlanta	NM	514	732	112
Scott Paper	NM	691	418	126
EW Scripps	NM	622	710	140
Seaboard	284	862	547	152
Seagate Technology	NM	1009	399	112
Seagram	244	271	535	152
Sealed Air	630	762	842	156
Sears, Roebuck	577	806	814	162, 168
Seaway Food Town	NM	629	663	148
Security Pacific	656	855	692	144
Selective Insurance	514	661	251	162
Sequa	678	914	635	96
Service Corp Intl	NM	754	928	126
Service Merchandise	133	94	762	168
Shared Medical Sys	626	1014	429	98
Shaw Industries	267	97	138	126
Shawmut National	NM	1037	1005	144
Sherwin-Williams	427	409	287	108
Shoney's	623	135	889	148
Sigma-Aldrich	195	176	118	108
Signet Banking	NM	961	513	144
Silicon Graphics	22	60	502	112
Sizzler Intl	144	**	493	148
Skyline	615	763	866	116
Smart & Final	248	**	386	168
AO Smith	NM	810	915	120
Smith Corona	**	**	**	98
Smith International	NM	166	1080	134
Smithfield Foods	197	35	49	152
Smith's Food & Drug	226	**	330	148
JM Smucker	291	82	266	152
Snap-on Tools	370	646	221	120
Society	423	327	405	144
Sonat	NM	452	861	134
Sonoco Products	469	324	307	156
Sony	379	256	843	120
Sotheby's Holdings	31	602	18	168
South Carolina Natl	426	369	504	144
Southdown	686	830	615	116
Southern Co	597	607	703	130
So New Eng Telecom	520	642	541	112
SouthTrust	484	462	396	144
Southwest Airlines	455	213	777	174
Southwest Gas	NM	943	626	134
Southwestern Bell	561	390	597	112
Southwestern Pub Svc	NM	712	366	130
Spiegel	154	329	205	168
Sprague Technologies	NM	913	1097	112
Springs Industries	NM	560	880	120
SPS Technologies	NM	932	970	96
SPX	NM	1015	565	120
Std Commercial	659	290	960	152
Standard Fedl Bank	636	188	632	144
Standard Motor Prods	607	990	849	120
Standard Products	NM	848	992	120
Standard Register	585	911	636	98
Standex International	339	483	542	98
Stanhome	162	76	86	126
Stanley Works	453	451	447	102
State Street Boston	337	161	260	144
Sterling Chemicals	667	1049	7	108

Company	RANK Growth	Stock market	Profitability	Page
Stewart & Stevenson	125	5	222	102
Stone Container	143	672	154	156
Storage Technology	647	638	627	112
Stratus Computer	92	240	162	112
Strawbridge	NM	897	640	168
Stride Rite	55	14	84	126
Sudbury	NM	1111	1108	102
Sun Co	669	838	955	134
Sun Microsystems	52	229	301	112
Sundstrand	251	595	618	96
SunTrust Banks	397	300	322	144
Super Food Services	511	797	497	148
Super Valu Stores	368	690	290	148
Synbiotics	**	**	**	158
Synergen	**	**	**	158
Syntex	258	98	11	158
Sysco	186	107	265	148
Talley Industries	NM	1054	1084	96
Talman Home Federal	653	668	919	144
Tambrands	408	243	156	126
Tandem Computers	613	957	800	112
Tandon	NM	930	892	112
Tandy	527	934	356	168
TBC	38	29	130	120
TCF Financial	NM	456	1049	144
Tech Data	146	48	102	112
TECO Energy	463	331	423	130
Tecumseh Products	652	853	803	102
Tektronix	NM	988	1011	112
Tele-Communications	NM	283	1091	140
Teledyne	NM	**	17	96
Teleflex	286	233	280	96
Temple-Inland	123	238	310	156
Tenneco	NM	821	525	102
Teradyne	NM	844	1031	112
Terex	73	80	101	102
Tesoro Petroleum	NM	997	1062	134
Texaco	NM	321	693	134
Texas Industries	NM	739	989	166
Texas Instruments	NM	898	738	112
Texas Utilities	NM	545	576	130
Textron	568	630	651	96
Thermo Electron	233	157	601	98
Thiokol	NM	**	440	96
Thomas & Betts	476	600	353	112
Thomas Industries	NM	881	609	102
Thorn Apple Valley	NM	9	173	152
3Com	NM	920	901	112
Tiffany	60	71	29	168
Time Warner	NM	601	1023	140
Times Mirror	584	833	355	140
Timken	35	696	958	102
TJX Cos	NM	**	**	168
Torchmark	355	224	108	162
Toro	590	708	503	120
Tosco	14	165	33	134
Town & Country	NM	1032	858	168
Toys 'R' Us	168	181	210	168
Transamerica	486	616	637	162
Transco Energy	NM	995	995	134
Travelers	NM	1021	972	162
Tredegar Industries	**	**	**	166
Tribune	NM	537	719	140

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity.
NM: Not meaningful. **Not ranked.

Company	RANK Growth	Stock market	Profitability	Page
Trinity Industries	46	348	668	102
Trinova	638	883	768	102
TRW	NM	837	378	120
Tucson Electric	NM	1093	1098	130
Turner Broadcasting	NM	11	1131	140
Turner Corp	NM	1040	1067	116
TW Holdings	**	**	**	148
20th Century Inds	56	141	67	162
Tyco Laboratories	127	386	160	102
Tyco Toys	NM	50	258	126
Tyson Foods	201	201	114	152
UAL	NM	151	126	174
UGI	NM	427	672	134
UJB Financial	NM	923	739	144
UNC	NM	1008	879	96
Unifi	78	25	142	126
Unilever NV	228	236	277	152
Union Bank	280	944	401	144
Union Camp	152	518	373	156
Union Carbide	640	859	89	108
Union Electric	178	564	462	130
Union Pacific	501	435	557	172
Union Texas Petrol	NM	136	40	134
Unisys	NM	1083	1064	112
United HealthCare	NM	13	369	158
United Illuminating	NM	578	973	130
US Bancorp	331	322	422	144
US Healthcare	NM	33	135	158
US Home	NM	1098	1103	116
US Shoe	NM	969	981	168
US Surgical	84	1	194	158
United Stationers	594	972	755	98
United Technologies	191	710	528	96
United Telecom	NM	305	362	112
Unitrin	NM	**	859	162
Univar	139	177	410	108
Universal	261	244	**	152
Universal Foods	128	58	199	152
Universal Health	593	274	930	158
Unocal	NM	265	685	134
UNUM	62	114	592	162
Upjohn	424	506	288	158
US West	497	546	512	112
USAir Group	NM	1053	1053	174
USF&G	NM	1079	1035	162
USG	NM	1060	747	116
Uslico	NM	903	713	162
USLife	563	727	837	162
UST Inc	221	30	31	152
USX-Marathon	NM	**	801	134
USX-US Steel	183	**	57	166
UtiliCorp United	532	500	568	134
Valero Energy	2	44	868	134
Valhi	71	380	75	108
Valley National	NM	920	1045	144
Valmont Industries	32	85	303	102
Valspar	230	164	159	108
Value City Dept	**	**	**	168
Varian Associates	NM	372	870	112
Varity	NM	761	658	120
Venture Stores	NM	**	769	168
VF	581	634	417	126
Viacom	**	54	1052	140

Company	RANK Growth	Stock market	Profitability	Page
Vigoro	97	**	4	108
Village Super Market	631	926	810	148
Vishay Intertech	205	399	296	112
Volt Info Sciences	NM	1045	998	98
Volvo	NM	590	564	120
Vons Cos	NM	66	883	148
Vulcan Materials	312	585	219	116
VWR	489	569	234	158
Waban	**	**	**	168
Wachovia	440	301	350	144
Wackenhut	457	637	346	98
Wal-Mart Stores	94	43	51	168
Walgreen	315	216	215	168
Wallace Computer Svcs	448	815	433	98
Wang Laboratories	NM	1061	1115	112
Warnaco Group	NM	**	1131	126
Warner-Lambert	296	153	30	158
Washington Gas Light	NM	531	638	134
Washington Mutual	NM	279	851	144
Washington National	NM	1002	1024	162
Washington Post	308	625	85	140
Waste Management	164	129	140	98
Waxman Inds	NM	778	177	116
Weirton Steel	NM	**	983	166
Weis Markets	436	701	351	148
Wellman	67	308	54	108
Wells Fargo	134	582	185	144
Wendy's Intl	4	858	918	148
Western Digital	NM	1086	1047	112
Western Publishing	633	729	521	140
Westinghouse	NM	953	294	102
Westmark Intl	NM	90	931	158
Westmoreland Coal	NM	829	985	134
Westvaco	500	523	605	156
Wetterau	415	552	264	148
Weyerhaeuser	341	787	711	156
Wheeling Pittsburgh	**	**	**	166
Whirlpool	642	724	771	120
Whitman	NM	**	**	152
Wicor	621	659	761	134
Willamette Inds	192	507	208	156
Willcox & Gibbs	NM	675	560	102
Williams Cos	680	398	827	134
Winn-Dixie Stores	410	391	271	148
Winnebago Industries	NM	1050	1087	120
Wisconsin Energy	537	491	458	130
Wisconsin Public Svc	569	678	588	130
Witco	NM	765	728	108, 134
WLR Foods	NM	538	474	152
Woolworth	357	492	364	168
Worthington Inds	533	269	336	166
WPL Holdings	NM	612	536	130
WPP Group	349	1085	978	140
Wm Wrigley Jr	153	104	73	152
Wyle Laboratories	136	705	787	112
Wyman-Gordon	NM	1063	991	96
Xerox	616	715	852	98, 162
XOMA	**	**	**	158
Yellow Freight Sys	NM	904	646	172
Zenith Electronics	NM	1046	1082	120
Zenith National Ins	NM	936	789	162
Zurn Industries	356	294	611	98

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity.
NM: Not meaningful. **Not ranked.

BY ERIC S. HARDY

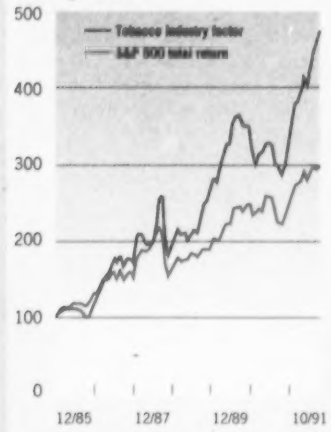
Is there any reason to be optimistic about the economy and the stock market in 1992? Yes, according to Bear, Stearns chief economist Lawrence Kudlow. Argues Kudlow: "A declining [inflation rate] has the same monetary effect as a tax cut, yet doesn't—even in the short term—reduce government revenues." He explains that a lower cost of living gives consumers more discretionary income, which also happens when taxes are reduced. But lower taxes increase the budget deficit in the short term. Kudlow predicts economic growth of about 3% in 1992. That's slow compared with a typical recovery, but it still represents economic expansion. He says inflation should run at or below 3% this year.

Kudlow is rather aggressive in both his enthusiasm for the market and the kinds of stocks he's recommending—cyclicals like metals, chemicals, construction, autos and banks.

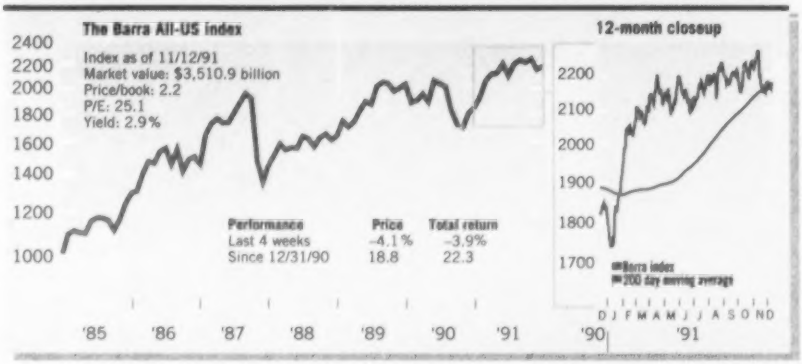
Special focus

Some sin industries do better than others. From January 1985 through October 1991 the total return on Barra's tobacco industry factor was 61% better than the S&P 500 return. The alcohol industry's total return exceeded it by 54%. But the figure for the gambling industry was only 11% better than the market.

Smoking returns



The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	1.2%	18.4%	-4.2%
Sharpe/Barra Growth index[1]	3.1	25.1	-1.4
Sharpe/Barra Value index[2]	-0.3	13.7	-6.3
Dow Jones industrials	-0.2	10.7	-5.9
S&P 500	1.3	15.9	-4.0
NYSE	1.1	16.9	-4.1
Nasdaq	2.5	44.3	-3.6
Amex	-1.1	19.4	-6.7
EAFE[3]	-1.9	-1.9	-22.2
CRB index[4,5]	-2.6	-4.9	-22.9
Gold[5]	-2.6	-4.1	-28.7
Yen[5]	-0.5	-2.3	-21.2
Oil[5]	-6.6	-24.4	-51.5

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Vestar	19 1/4	66%	$-0.28	Live Entertainment	2 7/8	-62%	$1.53
Alkermes	16	39	-1.07	CII Financial	6 7/8	-47	1.83
PacifiCare Health Sys	32 1/4	39	2.05	Plains Research	14	-39	-0.16
MGI Pharma	17 1/4	37	-0.97	Sanifill	13 5/8	-38	1.03
TZ Medical	51	35	1.37*	Kentucky Central Life Ins	5 1/8	-36	1.54

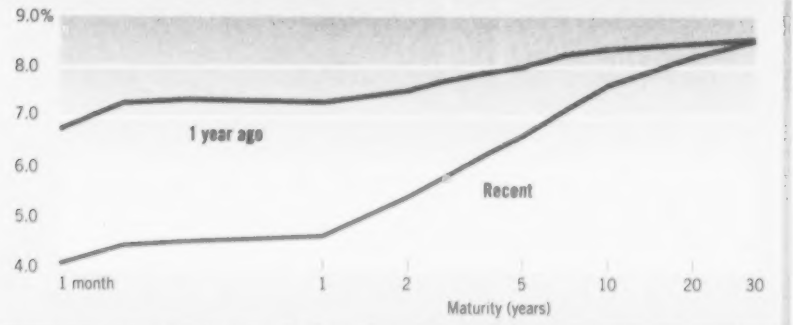
The best and worst performing industry factors[4,8]

Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Air transport	6.8%	16.6%	Coal & uranium	-3.9%	-1.1%
Cosmetics	6.3	43.1	Misc. mining, metals	-3.9	10.7
Pollution control	6.2	4.5	Iron & steel	-3.6	1.3
Soaps, houseware	5.0	25.1	Paper	-2.8	7.9
Telephone, telegraph	3.9	14.0	Photographic, optical	-2.6	7.5

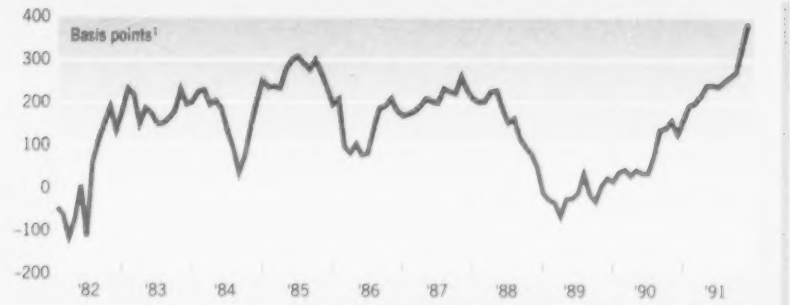
Note: Data for period ending 12/12/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. *1992 estimate. Principal source: Barra, Inc., Berkeley, Calif.

BY ERIC S. HARDY

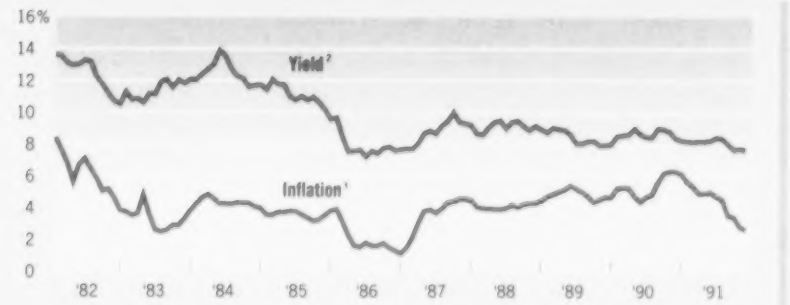
Yield curve



30-year rate minus 1-year rate



Yield vs. inflation



Spread over Treasurys

Security	Basis points[1]
AA corporates	58
AAA industrials	63
Ginnie Maes	89
Junk corporates[4]	686
Municipals[5]	-117

Total returns

Security	1 year[6]	3 years[6,7]
AAA corporates	15.2%	11.9%
Ginnie Maes	15.0	13.1
Junk corporates[4]	42.7	10.5
Municipals[5]	10.3	9.7
Treasury bonds	13.3	11.6

Note: Except where footnoted, all information provided by Berkeley, Calif.-based Barra, a financial consulting firm. [1]A basis point is equal to one-hundredth of a percentage point. [2]Yield on ten-year Treasurys. [3]The trailing 12-month increase in the Consumer Price Index, through 11/29/91. [4]Source: First Boston. [5]Source: Shearson Lehman Brothers. [6]Data through 11/29/91. [7]Annualized

The wonderful returns that bond buyers enjoyed in 1991 look pretty close to unrepeatable in 1992. For starters, interest income will be lower. A five-year Treasury note, which was paying 8¾% a year ago, now yields about 6¼%. As for capital gains, which on Treasurys can come only from a decline in interest rates, the question is how much further rates can fall at various points along the yield curve.

What about corporate bonds, which also enjoyed a rally in 1991? In that sector, capital gains can come from two sources: declines in interest rates and improvements in perceived credit quality. Both of these factors—plus the high coupons on the bonds—contributed to the 12-month 43% total return on junk bonds. The rally could continue, but, as with Treasurys, a repeat performance in the junk sector is not likely.

Martin Fridson, a junk specialist at Merrill Lynch, offers a reason the market should at least be less risky than it was in the late 1980s. "The high-yield market collapsed because the firm that was perceived to dominate the market [Drexel Burnham Lambert] also collapsed," says Fridson. "Investors now feel the market is much less concentrated."

The shortest-maturity Treasury bills are now yielding only 4¼% on a bond-equivalent basis (nominal "discount" yields are a little lower). How unhappy should today's bond buyers be with this return? It depends on their outlook for inflation. Consumer prices in November were 3% higher than a year earlier. If inflation stays that low, then a tax-free account can earn over 1% of real return from T bills. But a taxable buyer in the 32% bracket would not quite break even after taxes and inflation.

There is a way to get a positive real aftertax return: Take some risk. A high-quality 20-year municipal bond yields about 6.5%—an after-inflation yield of about 3.5%. The risk is that inflation will pick up again, destroying more of that 6.5% coupon and probably causing a sharp price decline in the bond as well.

When interest rates start trending up again, will this signal the end of the bull market? Don't bet on it.

What feeds the bull?

BY CHARLES E. BABIN

Charles E. Babin is managing director of BRS Capital Management, Inc., an investment management firm in Boston.

FOR THE PAST YEAR or so, a common theme seemed to dominate the financial press: Nearly every uptick in the stock market was attributed to either a drop in interest rates or the anticipation of one.

It would be easy to assume from this Johnny-one-note interpretation that the bull market will be over when interest rates start rising again. This doesn't necessarily follow.

True, rates have fallen precipitously, especially in the short end of the yield curve. The spot yield for a three-month Treasury bill at the end of November, for example, was hovering around 4.35%—down 267 basis points from its year-earlier level (7.02%). This represents a 38% decline in the price of credit and is the lowest T bill yield since 1976. During this period of declining interest rates, stocks have been strong, with the S&P Composite returning 20.4%, including dividends. So it is hardly surprising that investors associate declining interest rates with rising stock prices.

Eventually, as the economic recovery proceeds, interest rates likely will rise. In fact, November's closing Treasury bill futures market quotations suggest that three-month bill yields will bottom out sometime over the next six months and then slowly but surely inch higher.

From the inception of this market in January 1976, Treasury bill futures have provided a fairly reliable signal of impending annual changes in T bill yields. Are they, then, foretelling an end to the bull market?

No. Here's why:

As is evident from the snapshot presented in the accompanying table, interest rates and share prices don't always move in opposite directions, especially at inflection points in the business cycle. Most previous bust-to-boom cycles were characterized by a runup in interest rates—often a big one—as the economy gained strength. Despite this, the stock market has tended to march on, its total return averaging better than 20%, well above its historical mean of 12.9%. Notice that the biggest jump in interest rates coincided with the biggest increase in industrial production as well as the most robust stock market; the second-largest interest rate increase was associated with the second-best economic/stock market performance.

Assuming Commerce Secretary Robert Mosbacher is correct in his recent pronouncement that the recession is over, it's noteworthy that the credit market's behavior prior to the upturn has mirrored the historical pattern. (T bill yields in the year preceding economic troughs dropped 37% on average.) Given that the linkages seem to be holding up during the current business cycle, there's a good likelihood that the recovery period will follow this pattern. This would mean a stock market that continues to rise, even if interest rates turn up.

As I discussed in my Oct. 1, 1990 column, statistical testing confirms that interest rate fluctuations can be used to anticipate broad stock market swings. And, based on this observed relationship, today's interest rate picture suggests that the S&P's total return in the year ahead will exceed that of cash equivalents. A double-digit outcome is probable.

To be sure, higher interest rates will eventually exact a toll from the economy and from the equity markets. But at this point in the business cycle, any upward movement should be interpreted as a symptom of economic recovery rather than as a death blow for the stock market. If history is any guide, the bull market is not finished, nor will it be finished when interest rates start rising again. ■

If the recession is over, as the Commerce Department claims, interest rates could move higher during the year ahead. But if history is a guide, equity markets can survive the threat.

Are higher interest rates bad for stocks?

Economic trough	Change over ensuing 12-month period: Price of credit[1]	Industrial production	S&P Composite[2]
Nov 1982	7.2%	10.9%	25.6%
July 1980	72.5	7.7	12.9
Mar 1975	-10.1	11.1	28.4
Nov 1970	-14.5	6.9	11.2
Feb 1961	5.0	13.3	13.6
Apr 1958	137.5	21.3	37.3
May 1954	93.1	13.9	36.0
Average	41.5%	12.2%	23.6%

[1]Fiscal-year change in three-month T bill yield. [2]Includes dividends.

NOTE

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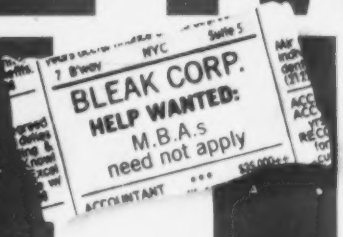
January 20, 1992 Four Dollars

Forbes

THE MBA GLUT



"Three years ago MBAs were everything here. Now we're not sure that what we're getting for the money is much better than hiring a spunky young BA and training him." – a senior investment company official

"I tell my MBA friends, 'We're the lawyers of the Nineties, there are too many of us.' " – newly minted Yale Management graduate

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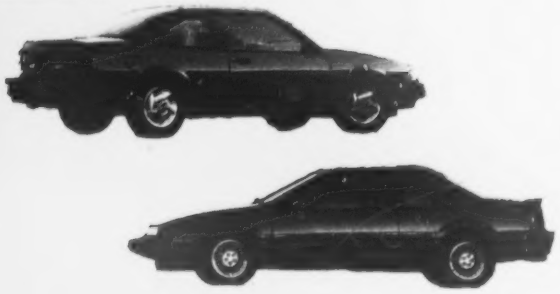

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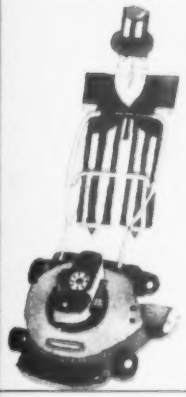

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Cover illustration by Andy Christie/Forbes

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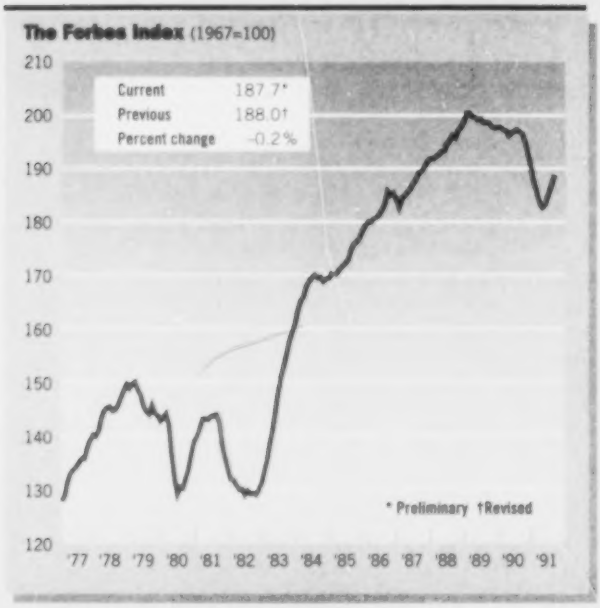
THE FORBES INDEX

BY TIMOTHY DODMAN



Are lower interest rates a quick stimulus to the housing market? It hasn't happened yet. Only 75,300 homes were started in November 1991. If the December figure comes in below 52,000 units, it would bring the 1991 total to fewer than 1 million starts, making last year the worst year for homebuilding since 1982. Mortgage rates may be a bargain, but people are reluctant to buy when they hear about layoffs and see home prices falling in many regions. Earned income, an annualized $2.8 trillion in November, has barely kept up with inflation over the last 12 months.

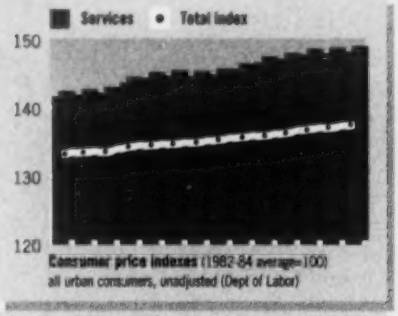
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-11.3%
Index of leading indicators Oct vs Sept	Dept of Commerce	0.1%
Trade balance 12 months ended Oct 1991	Dept of Commerce	-$71 bil
All-commodity producer price index Nov vs Oct[2]	Dept of Labor	0.0%
GDP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	1.8%
M2 (3-month change)—annualized growth[3]	Federal Reserve	1.4%

[1] U.S.-based manufacturers, excludes imports, as of 12/10/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

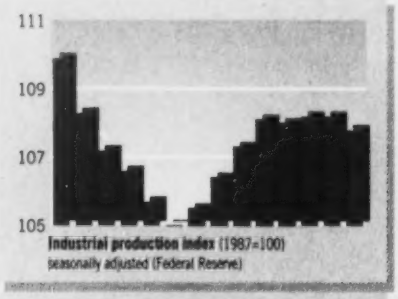
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



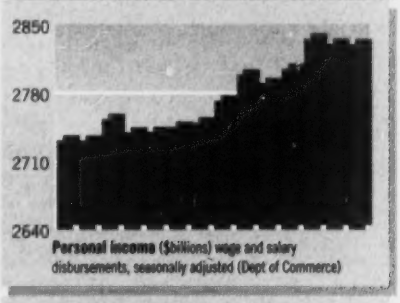
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

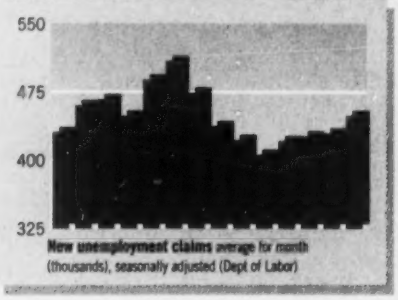


Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

O N D J F M A M J J A S O N O N D J F M A M J J A S O N O N D J F M A M J J A S O N

Israeli stocks were hot last year. This year could bring more of the same, at least for technology exporters.

Investing in Israel

Rick Rosen/SABA

By Matthew Schifrin

THE LATE Robert Maxwell may have overpaid for media properties, but he sure had a hot hand when it came to investing in Israeli technology companies. In 1989 Maxwell invested $39 million in Herzlia-based Scitex Corp. Ltd., a computer imaging systems maker. By the time the publisher was buried on the Mount of Olives in November, Scitex had netted at least a $200 million profit for Maxwell's Mirror Group Plc. after an October stock offering.

Israeli stocks sizzled last year. Shares in the 28 Israel-based companies most widely traded in the U.S. rose by an average of 150% during 1991, partly because they were so heavily discounted in the runup to the Gulf war, and partly thanks to the prospects for Middle East peace. Israel's economy, moreover, is looking healthier. Inflation, for instance, is now running at around 18% a year, down from 330% in the early 1980s. In November it was effectively zero.

What lies ahead for Israeli stocks? A good person to ask is a cigar-toting industrialist named Aharon Dovrat. He immigrated to Israel from Argentina in 1959 and later helped steer Maxwell into his successful Israeli investments. He built Clal (Israel) Ltd., a Tel Aviv-based conglomerate, from revenues of $20 million in 1965 to $1.7 billion today. Dovrat, 60, is now an investment banker. His merchant banking firm of Dovrat, Shrem & Co. recently purchased Budget Rent-A-Car's Israeli franchise and has been working on a half-dozen public stock offerings. Dovrat is selectively bullish. He worries about the strains on the fragile economy caused by surging immigration of Soviet Jews, and advises investors to be cautious of Israeli

Potential peace dividends

Company/business	Exchange	Market cap ($mil)	Sales latest 12 mos ($mil)	Price Recent	Price % change over 12 mos	P/E latest 12 mos	Debt/ equity
Scitex Corp/imaging systems	o-t-c	$1,288	$400	34½	128%	13	8%
ECI Telecom/telecommunications systems	o-t-c	600	100	42½	252	30	12
Teva Pharmaceuticals/pharmaceuticals	o-t-c	458	344	16	44	11	51
Elbit Computers Ltd/computer systems	o-t-c	400	399	24⅜	77	16	31
Elscint Ltd/medical diagnostic instruments	NYSE	342	185	4½	100	21	25
PEC Israel Economic Corp/holding company	Amex	243	41	30⅞	129	10	11
Elron Electronic Industries/holding company	o-t-c	242	465	15	140	13	53
Bio-Technology General/biotechnology	o-t-c	178	4	8⅜	540	NA	87
American Israeli Paper Mills/paper products	Amex	154	275	40½	38	13	41
Lannet Data Comm/computer networks	o-t-c	154	23[1]	15¼	17[2]	NA	0

[1]1991 estimate. [2]Public since 10/16/91. NA: Not available.

Sources: Standard & Poor's; Media General; Forbes.

Israeli stocks trading on U.S. exchanges sizzled last year. Still, many are neglected by Wall Street, and some are modestly priced and could make attractive buys.

Israeli financier Aharon Dovrat **Guided Maxwell's hot hand in Israel.**

businesses that depend on the local market. Stocks that fit the bill include property developer Israel Land Development, wood products maker Etz Lavud, American Israeli Paper Mills and leading food and confectionery maker Elite Industries, which is currently involved in a domestic price war. Also to be avoided: Israeli biotech companies that have been run up in the biotech craze on Wall Street.

But Dovrat does see opportunity in technology and software companies that derive most of their income from exports. He singles out four: Scitex Corp., Elbit Computers Ltd., ECI Telecom Ltd. and Lannet Data Communications, which recently went public. Dovrat knows these companies well. He has served on the boards of all but one.

He thinks Scitex still has a lot of growth ahead of it. The $430 million (estimated sales) company makes imaging equipment for the publishing industry, and it is well placed politically: Its operations in Israel are run by Yair Shamir, son of the prime minister. Scitex shares, traded over-the-counter in the U.S., have more than doubled in the last 12 months. Even so, at a recent 34 a share, the virtually debt-free company sells for around 13 times trailing earnings and 11 times 1992 estimates. "If Scitex were based in Boston," says Dovrat, "it would be selling at twice the price."

Another of his favorites, Elbit Computers, has shifted from defense electronics to medical and industrial applications. In 1990 nearly 85% of Elbit's $363 million in sales came from exports, roughly 55% from civil applications. Elbit's stock is up 77% in the last 12 months but still sells at around 16 times last year's earnings.

ECI Telecom makes telephone circuit multiplication equipment, which enables one cable to carry 16 conversations. Its big customers include AT&T, British Telecom and MCI. With help from Dovrat, ECI, too, has been diversifying away from its military applications. Last year it earned nearly $25 million on $110 million in sales. ECI Telecom recently traded at 42 over-the-counter, 24 times 1992 estimated earnings.

A fourth pick, Lannet Data Communications, designs and manufactures "intelligent hubs" and other equipment for local area networks, used to link mainframes and microcomputers. Since 1987 Lannet's sales have climbed from less than $800,000 to about $23 million in 1991. Only 10% of its revenues come from Israel, 60% come from Europe, and around 20% from the U.S., where the company is aggressively trying to expand. Debt-free Lannet should earn about $1 per share this year and recently sold over-the-counter at 15. (Dovrat sits on the board.)

Dovrat also likes Elron Electronic Industries, a holding company that invests solely in technology firms; among its public holdings are Elbit and Elscint. Elron's o-t-c shares have also doubled but still have a below-market multiple of 13 times trailing earnings.

Aside from those listed here, Americans can buy Israeli stocks, denominated in shekels, on the Tel Aviv stock exchange. But, according to Herb Ostroff, publisher of the Tel Aviv-based business weekly *Israel Business Today*, the exchange can be relatively illiquid, most disclosure documents are in Hebrew and virtually no U.S. brokers will handle these transactions.

Dovrat is something of a maverick in Israel. He supports land-for-peace deals with the Palestinians and has little but scorn for Israel's socialist traditions. To those who criticize his wealth—he was, at $500,000, including benefits, Israel's highest-paid executive last year—he responds: "In Israel making money is still considered a bad thing."

That's changing, too.

The supply of M.B.A.s is up, but demand is down, and corporate recruiters say business schools have lost touch with reality. All those new touchy-feely courses may entertain the students, but they don't cut much ice in the job market.

Another boom ends

By Dana Wechsler Linden with Jody Brennan and Randall Lane

Fun and games at Indiana University **Trying to bring new relevance to the M.B.A. experience. But do recruiters care?**

DON SUMMA, Harvard College class of '83, hasn't found his master's in business management a ticket to success. He graduated from Yale's School of Organization & Management last May, after having resigned from a glamorous job as an assistant talent agent with Triad Artists, one of the country's leading talent agencies. Two years and $60,000 worth of school bills later, he is unemployed. For whatever comfort it may bring, Summa is not alone. One in four of the M.B.A.s graduating from Dartmouth's Amos Tuck School of Business Administration last spring did so without having accepted a job offer. The number at the University of California at Los Angeles was about 15%. At the University of Texas at Austin, it was nearly 20%. Among Summa's Yale classmates, one-third did not report job placement upon graduation with the master's in public and private management, Yale's equivalent of the M.B.A.

Certainly the recession deserves some blame for all this. But there's something more fundamental going on here: An M.B.A. degree isn't worth what it used to be. The recession has simply worsened a trend of depreciating respect for the once coveted degree. "People aren't saying, 'Boy, I can't wait until our quarterly numbers pick up so we can hire more M.B.A.s,' " warns Associate Dean James Schmotter of Cornell's Johnson Graduate School of Management—one dean not afraid to be candid.

What's the problem? Start with the oversupply of M.B.A.s. Each year the country's 700-plus business schools churn out 75,000 graduates, up from only 5,000 in the 1960s. "I tell my friends, 'We're the lawyers of the Nineties, there are too many of us,' " says Summa.

At the same time, demand is way off. Many industrial companies, such as IBM, GE and Xerox, have been eliminating layers of middle managers—jobs often held by M.B.A.s. For these firms, recruiting in the 1990s is more focused on technical people, such as engineers or accountants. Investment banks and commercial banks, the leading hirers of M.B.A.s during the 1980s, are going to fewer campuses and making fewer offers. In the past, lacking anything more lucrative, an M.B.A. from a prestigious school could always take a bank job. With banks merging, consolidating and cutting back, it will be years before this employer of last resort is back in the market on any scale.

Consider American Express, which hired fewer than 50 M.B.A.s last year, about half the number it hired three years ago. American Express is increasingly looking at applicants from lower on the educational scale: "Just because you have an M.B.A. doesn't mean you walk on water," says Clarissa Gilliam, an American Express senior staffing specialist. "There are undergraduates who are just

as smart." Cheaper and humbler, too.

Even though business is booming for Merrill Lynch, the big securities firm expects to hire only 75 M.B.A.s this year, about half the number hired in 1987. More and more jobs once designated for M.B.A.s are now going to B.A.s.

"Three years ago M.B.A.s were everything here," says a Wall Street recruiting director who insists on anonymity. "Now we're not sure that what we're getting for the money is much better than hiring a spunky young B.A. and training him."

Like just about everyone in the U.S. these days, companies are shopping smarter. They want more for their money and are less willing to pay up for perceived prestige.

Part of the blame lies with the business schools themselves—even the best of them. Smug and arrogant, they chose increasingly to teach what they wanted, rather than what business needed. "We business schools are going through the agony that organizations go through when they become producer-driven," says Richard West, dean of New York University's Stern School of Business. "To a significant degree, we lost sight of our customers—students and corporations."

It was a story not different from those of many once great U.S. industries that enjoyed tremendous growth after World War II, then became complacent and ingrown. A few decades back M.B.A. factories were few in number. In the late 1950s there were about 125 institutions awarding master's degrees in business in the U.S., but 2 of the 125—Harvard Business School and New York University's Graduate School of Business—accounted for 25% of the degrees.

The few schools and their scant output were not highly regarded. Both the Carnegie and Ford foundations came out in the late 1950s with comprehensive evaluations of management education. The reviews weren't kind. The message from both foundations was essentially the same: The nation's business schools were intellectual wastelands—mere trade schools where second-rate students were taught second-rate curriculums by second-rate faculty.

To improve, the business schools were told, they had to

Value for B-school money

IF THE dimming prospects for fresh graduates of many M.B.A. programs *(see story)* don't scare you away from the degree, what should you look for in a business school? A good education, of course, but also an educational investment that makes economic sense.

What's the point of quitting (or not even starting) a good-paying job and going head-over-heels in debt to acquire a degree whose value is probably falling?

Your best bet is still the name-brand, expensive institutions like Harvard, Stanford and Wharton. But realistically, not everyone can get into these elite schools—or afford the $35,000 a year (tuition plus room and board at Harvard) they cost. So we present this list of ten inexpensive business schools that offer the most value for the money.

Criteria? To make our list, a business school had to charge tuition of no more than $10,000 a year (or $18,000 for one-year M.B.A. programs like the one at the University of Pittsburgh).

The schools also had to have a goodly number of corporate recruiters on campus last year and have had a high percentage of last year's graduates with firm job plans at graduation. The schools' graduates also had to attract good salaries.

Beyond the numbers, we applied some subjective criteria based on talking to M.B.A. recruiters from major public and private U.S. corporations.

While you do not see very many famous names on this list, the caliber of the schools' students is impressive.

Students admitted to the University of California at Los Angeles' John E. Anderson Graduate School of Management, for example, last year scored 640 on the graduate management admissions test, on average—higher than those at all but a handful of other business schools nationwide.

As our rankings show, graduates of these ten schools also do well in the job market.

A few caveats are in order for this and other rankings of business schools. Most of the numbers on which the rankings are based can be problematic in that they are reported by the schools themselves.

That means distortions can occur, intentionally or unintentionally.

School A, for example, may calculate the average starting salary of its graduates earlier in the academic year than does school B.

Those recruiters that make earlier offers—including consulting firms and investment banks—also tend to pay the most. So, all else being equal, school A's students will appear to be better paid than school B's.

Is this or any other list of "the best" business schools definitive? Of course not. But given the combination of student talent, graduates' employment and cost, we think these ten inexpensive schools offer among the best values for the money. –D.W.L.

Forbes honor roll of affordable M.B.A. programs

School	Tuition 1991-92 in state/out of state	GMAT[1]	Acceptance rate[2]	Yield[3]	Starting salary[4]	Employment rate[5]	Recruiters[6]
John E. Anderson Graduate School of Management at U Calif, Los Angeles	$ 2,300 10,000	640	19%	53%	$54,000	85%	200
Graduate School of Business, University of Texas, Austin	960 3,790	631	23	50	44,000	81	300
Kenan-Flagler Business School, University of North Carolina, Chapel Hill	780 6,640	620	13	57	51,500	85	155
Jesse H. Jones Graduate School of Administration Rice University, Houston	8,300	622	35	43	46,700	80	55
Indiana University School of Business, Bloomington	4,160 9,750	610	34	49	46,400	76	242
College of Business and Management, University of Maryland, College Park	4,290 7,680	600	32	57	44,600	83	85
Georgia Institute of Technology, School of Management, Atlanta	2,120 6,280	614	36	57	40,600	70	50
Joseph M. Katz Graduate School of Business, University of Pittsburgh	11,220[a] 18,570[a]	597	44	58	43,500	80	115
Baruch College School of Business and Public Administration, City University of New York	2,600 5,100	560	39	63	41,900	93[c]	400
Terry College of Business, University of Georgia, Athens	2,770[a] 7,360[a] 2,080[b] 5,520[b]	615	29	53	40,200	72	70

[1] Graduate Management Admission Test average score for all accepted students. [2] Percentage of applicants accepted out of those who applied. [3] Percentage of accepted students who chose to enroll. [4] Average starting salary for students who reported job plans. [5] Percentage of class with firm job plans at graduation. [6] Number of companies that interviewed on campus.
a: One-year program. b: Two-year program. c: Includes employed part-time students.

upgrade their faculties. Research-oriented professors were hired and were encouraged to develop analytic tools and concepts that would raise the level of business scholarship.

Over the next few decades, business schools achieved academic legitimacy. Professors won Nobel Prizes in economics. With that legitimacy came respect. Suddenly companies wanted M.B.A.s and ambitious students wanted to become M.B.A.s. By the late 1980s big consulting firms were offering as much as $100,000 to attract the cream of the M.B.A.s from the cream of the business schools. So what if tuition for a Harvard M.B.A. cost $30,000 and even a bargain-priced Rice degree $14,000? If an M.B.A. was almost equivalent to a down payment on a red Ferrari, who would balk at the price?

The customers came flocking in. In 1962 only 6% of all master's degrees awarded in the U.S. were in business administration. Twenty years later 25% were. By the early Eighties 500 institutions were offering the master's in business education and were turning out upwards of 60,000 sheepskins a year, more than triple the number of master's degrees awarded in engineering and more than double the number awarded in the humanities.

It was good business for the universities. Expanding a business school yields a much better return on investment than expanding a biology department: no new $1 million laboratory required. Classes are big (there are about 80 students in the average first-year classroom at Harvard Business School) and tuitions have risen fast—nearly tripling at Harvard since 1980, to $17,500.

Business schools also typically operate at a profit—or operating surplus, to use gentler education lingo. The University of Chicago's latest figures, for example, show the business school contributing over $9 million—fully one-third of tuition income—to the rest of the university.

By the early 1980s trained faculty had become scarce, with three or four vacant teaching positions for every new Ph.D. Teaching salaries shot up, and in 1989 Wharton snatched young finance and economics star Sanford J. Grossman away from Princeton, reportedly for a nine months' salary of $250,000.

But the comfortable business world that the business schools grew up to serve was changing drastically. The 1980s mergers and acquisitions boom, fueled by easy credit and junk financing, brought a wave of consolidations, leveraged buyouts and cost-cutting—resulting in flatter organizations with less middle management. The globalization of business put a new emphasis on product quality, manufacturing management and leadership. A lean cost structure suddenly counted for more than the prestige items, like the top Harvard M.B.A.s.

Even while their business was booming, business school deans started hearing a growing rumble of discontent among corporate employers. The message was consistent: M.B.A. graduates are great with matrices and decision trees but lack practical skills needed to manage in the real world. They aren't being taught about quality in manufacturing or about managing in global markets. Above all, they're not being taught the leadership skills needed to deal with the more diverse work forces of today's flatter organizations. In other words, the deans were told, the graduates you're turning out don't manage very well.

Some business school deans tried to respond to the criticisms but were held back by their faculties, fat and happy in their flood of students and rising pay and perks.

For more than five years, New York University Dean Richard West proposed a dramatic increase in the amount of class time and the elimination of some long-standing courses. The faculty was hesitant—until NYU got an embarrassingly weak ranking in a magazine poll of business school students and recruiters. Within the next year, the faculty approved the plan West was advocating.

However simplistic and questionable their methodologies, these list-compilers did bring the breath of competition to a complacent business. More than one business school dean told FORBES there was a correlation between his school's ranking in a given year and the length of the list of recruiters coming to campus. In Japan the rankings are now used by corporations to decide what American business schools their employees should attend.

Unable to ignore the impact of these popularity contests, how have business schools responded? Not necessarily in the smartest ways. Four years ago the University of Chicago's business school was ranked an unexpectedly low 11th on one survey—because graduates criticized the school's emphasis on theory at the expense of practical training. A few weeks later Chicago's faculty approved a new, noncredit "leadership program" for first-year students. The communications part of the course has been taught by Chicago's Second City comedy troupe. Students are also taught teamwork—on a retreat with Outward Bound. The students love it. In last year's survey Chicago jumped to 4th place.

Class size	Comments
370	Ivy League quality at cut-rate prices.
532	Among the cheapest of all, and known for turning out good technology managers.
187	Less than half the price of neighbor and rival, Duke.
87	Only private school on our list, subsidized by William Marsh Rice's endowment, now at $1 billion.
312	Innovative program starting this year, based on integrating business theory with real business problems.
175	Solid education, near northeastern recruiters.
85	Good finishing school for engineers, top-notch students.
298	Highly regarded one-year M.B.A.—just one year of lost salary.
497	Dirt-cheap commuter school, strong part-time program.
110	Good one-year program open to undergraduate business degree holders.

Similar touchy-feely courses have sprouted up on business school campuses everywhere. Indiana University puts students through a "Challenge course," including the "Peanut Butter Pit," described as a "hazardous crossing event." Students use ropes and other means to cross a pit of simulated quicksand. At Pepperdine University in Malibu, Calif. students learn ethics through a "federal prison visitation program." According to a press release, this involves "meeting with such high-profile white-collar criminals as Ivan Boesky."

But is all this warm-and-fuzzy P.R. nonsense really what employers were asking the business schools for? Of course not. Listen to Richard Beatty, a human resource consultant writing a book on views of M.B.A.s in the work force: "The new programs are quote, nice, unquote," he explains. "But they're barely scratching the surface. I don't know of anyone dealing with real management training and facilitating skills."

Richard West, dean of NYU's Stern School of Business
"To a significant degree, we lost sight of our customers."

Explains Cornell's James Schmotter: "It's a lot easier to contract with Outward Bound than to fundamentally change the curriculum," he says. "There's nothing wrong with it, and students really like it. So that's what we do, and we get credit for it, but it's troubling." These quick fixes may make the students happy, but they are unlikely to change the sense in business that M.B.A.s aren't necessarily worth more than people with other degrees.

Consider the case of one bright young man, Ashok Samuel, 30. Samuel received a master's degree in computer science from City University of New York five years ago and immediately started saving money for the M.B.A. he'd always planned to get. In the meantime, he started working for a New York City-based software development company. Several promotions later, he now manages a research and development group of 15 people and earns an annual income considerably higher than the $75,000 starting salary earned by even the luckiest Harvard M.B.A.s.

And what about his plans for an M.B.A.? Samuel has decided it's no longer necessary. "What am I going to get from it?" he asks. "My management has never told me I lack the skills of an M.B.A. I can pick up any new theories I need on the job or at training programs."

Jeffrey Van Fossen got a bachelor's in mechanical and aerospace engineering from Princeton in 1987. Three years later he applied to the Massachusetts Institute of Technology for a joint M.B.A. and master's in engineering. Van Fossen's career goal: to make it into top management at a manufacturing company.

Van Fossen wasn't accepted by MIT. Disappointed, he went to work as director of a technology transfer center in his native Midwest. He's in contact with 10 or 15 local manufacturers a week. His career goal hasn't changed. But he's decided it's worth going after the engineering degree and not the M.B.A. "The people most effective in manufacturing don't necessarily have M.B.A.s, but they do have technical understanding," Van Fossen says.

The message is gradually sinking in at the schools themselves. Dean John Rosenblum of the University of Virginia's Darden Graduate School of Business Administration predicts that the M.B.A. credential will become less important and business schools will go through the classic shakeout of a mature industry.

The first to go, probably, will be the "M.B.A. mills," at schools like Pace and Fairleigh Dickinson, that staffed up quickly and are not accredited. The business schools that remain will gravitate toward market niches, producing specialists to meet specific customer needs—say, manufacturing or technical management. Some schools have already begun carving out niches: MIT in real estate and technology, Northwestern in marketing, and Wharton in international management.

Rosenblum also predicts that management education will become more of a collaborative effort with industry. There will be more short nondegree educational programs for managers, designed and delivered by universities and companies working together. The University of Virginia already offers nondegree programs tailored to individual corporations such as Hercules Chemicals and Bacardi. Duke offers similar programs to IBM.

A dean who sees an opportunity in this turmoil is Dan Short. Currently associate dean at the University of Texas at Austin, he will take over as dean of Kansas State University's business school in June. "I'm not going to play the M.B.A. game," says Short, explaining that while other schools concentrate on M.B.A. programs, he'll concentrate on the basic undergraduate program. That will mean the students will have to pay for just four years of instruction, instead of five or six, with huge savings of time and money. Short thinks he can deliver a cost-effective product to industry by teaching students to grapple with real-life problems rather than textbook finance and marketing theories. Breaking down walls between courses, Short would combine these disciplines into one integrated program that more resembles the real world.

"We'll slip in and produce a product of higher value," he says. "A higher-quality student to compete against M.B.A.s at lower cost." Educational purists may gasp at such down-to-earth talk, but they would do better to heed it: The country is getting tired of handing blank checks to our institutions of so-called higher learning.

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

Market watchers are never at a loss for a rational explanation of what happened in the stock market yesterday. Never mind that the explanations don't do you much good when it comes to predicting the stock market.

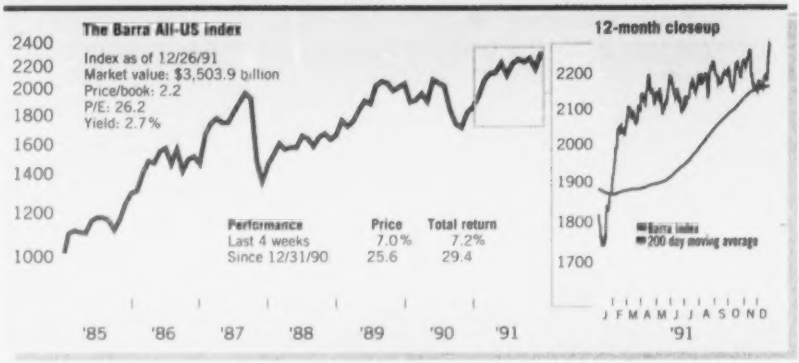
A year ago stocks were climbing because investors expected an early end to the recession—so said the pundits. The recession, though, drags on into 1992. Shouldn't stocks be getting killed? They aren't, and there's a new justification for what is happening: lower interest rates. Late in December, following a cut in the Federal Reserve's discount rate to 3.5%, the Barra All-US index of approximately 5,500 common stocks jumped to a record high.

Is there any reason to buy stocks now, once they have climbed to 26 times earnings? William LeFevre, a market strategist at Tucker Anthony/Sutro, offers a standard one: Stocks aren't so bad, when you consider the low-yielding alternative of fixed-income investments. "Investors who want to make 15% or 16% in 1992 will have to be in the stock market," he says. "You can't get those returns from Treasurys anymore."

Nonetheless, it may pay to take a look back at stock market history. In the early 1950s interest rates were lower than they are now, yet the Dow industrials averaged only 11 times earnings. If there's a good reason a repetition of low interest rates should make stocks worth twice as much now, it isn't apparent in all the euphoria over the Fed move.

For investors who are nervous about today's high P/E ratios but don't want to exit into cash, consider the alternative of relatively high-yielding, low-P/E stocks. John Kaweske, manager of the Financial Industrial Income Fund, has been beating the market with a portfolio that includes a large dose of real estate investment trusts, especially those that own health care facilities. Yields are in the 8%-to-10% range. His choices include Meditrust and Health & Rehabilitation Properties.

The overall-market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	5.7%	25.6%	0.0%
Sharpe/Barra Growth index[1]	7.0	34.9	0.0
Sharpe/Barra Value index[2]	5.3	19.2	-1.3
Dow Jones industrials	6.5	17.4	0.0
S&P 500	6.1	23.3	0.0
NYSE	5.8	24.0	0.0
Nasdaq	4.3	50.7	0.0
Amex	3.1	24.3	-3.8
EAFE[3]	2.8	8.0	-20.0
CRB index[4,5]	-0.2	-5.5	-23.1
Gold[5]	-0.8	-7.7	-29.3
Yen[5]	-2.2	-7.3	-22.9
Oil[5]	-7.3	-30.7	-55.0

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
SyStemix	53 1/2	62%	NA	Best Buy	14 1/2	-40%	$1.56
Summcorp	38	42	$2.68	Good Guys	14 3/4	-39	1.13
Liposome	13 1/8	40	-0.39	Sierra Tucson Cos	16	-28	1.71
Toll Brothers	10 1/8	37	0.49	Diagnostic Products	35 5/8	-27	1.95
Glycomed	18 1/8	36	-0.78	Delta Woodside Inds	17 3/4	-25	2.06

The best and worst performing industry factors[6,8]

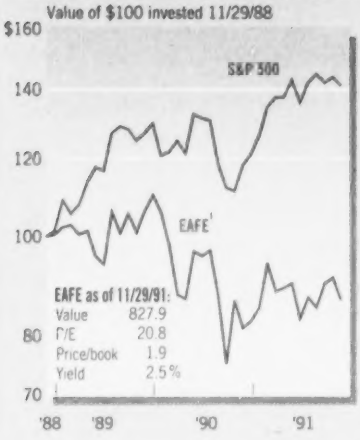
Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Construction	13.8%	12.5%	Precious metals	-5.8%	-18.8%
Consumer durables	13.7	32.7	Photographic, optical	-1.9	4.2
Real estate	12.8	14.7	Oil service	-0.3	-10.2
Beverages	11.8	30.9	International oil	0.2	19.4
Thrifts	11.7	15.7	Liquor	1.2	47.5

Note: Data for period ending 12/26/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from I/B/E/S, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

WORLD MARKETS REVIEW

BY GUSTAVO LOMBO

Foreign vs. U.S. markets



Developed markets

Market	Total return[2] 3 months	12 months	P/E
New Zealand	10%	11%	10
Japan	5	11	36
Belgium	5	3	11
Netherlands	4	10	14
Australia	4	30	16
Norway	-24	-31	11
Finland	-14	-21	53
Sweden	-10	12	16
United States	-4	20	20
United Kingdom	-4	6	15

Emerging markets

	Total return[2] 3 months	12 months	P/E
Region			
Latin America	0%	114%	NA
Asia	-4	2	NA
Country			
Colombia	92	113	17
Pakistan	45	107	17
Venezuela	40	57	25
Zimbabwe	-38	-52	8
Brazil	-28	69	8
Indonesia	-23	-38	14

In 1991 the happiest U.S. investors were those who stayed home. Morgan Stanley Capital International Perspective reports that only three developed markets beat the U.S.—Hong Kong, Australia and Singapore/Malaysia. (These results are through Nov. 29, 1991 and assume that stocks were bought and sold with U.S. dollars.)

Among developing countries, Mexico was a standout, with a 12-month return of 105%. Elizabeth Morrissey, vice president of Kleiman International Consultants, a New York firm specializing in emerging markets, credits the Salinas government's privatization program, plus falling interest rates, an improved earnings outlook and optimism about the free-trade agreement with the U.S. The Mexican market's current capitalization is $86 billion, up from $33 billion in December 1990.

What about 1992? Martin Wade, who manages the T. Rowe Price International Stock Fund, predicts that when European government long-term bond yields (currently over 8%) fall, stocks in the Netherlands, France, Germany and some other European countries will benefit.

Who's hot

Company/Country	Business	Price	3-month price change	P/E
Groupe Victoire/France	insurance	273¼	62%	19
Toyo Ink/Japan	chemicals	5½	49	47
Beazer/UK	construction	2	46	12
Carter Holt Harvey/N Zealand	multicompany	1⅛	37	14
Total CFP/France	energy	196	34	8

Who's not

Company/Country	Business	Price	3-month price change	P/E
Ercros/Spain	chemicals	4	-49%	53
Adia/Switzerland	business svcs	310⅜	-41	7
British Aerospace/UK	aerospace & def	5⅝	-38	4
Linotype-Heil/Germany	data proc equip	187⅛	-37	10
Ericsson B Fria/Sweden	elect & electron	19⅛	-34	7

Cheap foreign stocks

Company/Country	Business	Price	Earnings	P/E
Aegon/Netherlands	insurance	65⅜	$9.74	7
Bayer/Germany	chemicals	167⅞	18.41	9
Endesa/Spain	utility	28½	3.22	9
Hitachi Credit/Japan	financial svcs	11½	0.37	31
Elf Aquitaine/France	energy	69	8.04	9

High-yielding foreign stocks

Company/Country	Business	Price	Yield	P/E
Stockland Trust/Australia	real estate	1⅞	9.8%	12
Powerfin/Belgium	utility	73⅝	9.3	8
Iberdrola I (Iberduero)/Spain	utility	6⅞	8.7	10
Natl Bank of Canada/Canada	banking	9⅞	7.2	9
Hongkong Land/Hong Kong	real estate	1⅛	7.2	11

Note: Data for period ending 11/29/91. Selected stocks have a market capitalization of at least $300 million. [1]Shows price return on the EAFE index of European, Australian, New Zealand and Far Eastern stocks converted into U.S. dollars. [2]Performance numbers reflect both local price change and currency fluctuation. Dividends are reinvested after subtracting foreign withholding tax. NA: Not available. Principal source: Morgan Stanley Capital International Perspective. Emerging markets data provided by International Finance Corporation.

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Can he preserve the franchise?

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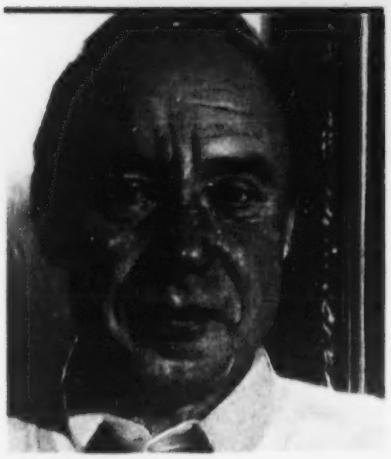

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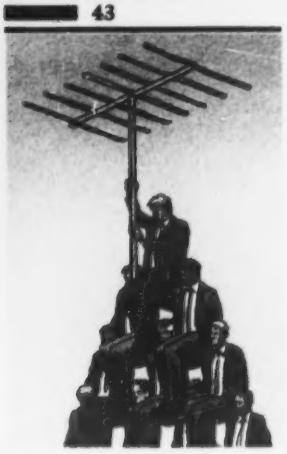

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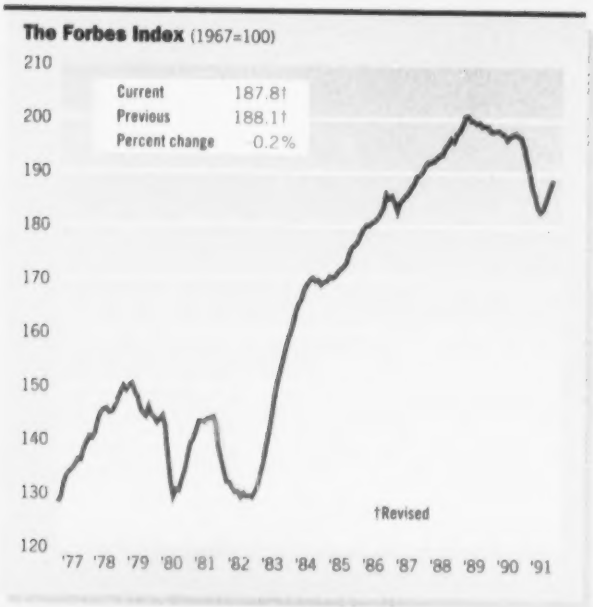
BY TIMOTHY DODMAN



The recession has eliminated nearly 1.6 million jobs since it began in July 1990; roughly half the losses took place in 1991. A glimmer of hope may be found in December's job report: Seasonally adjusted nonfarm payrolls increased by 31,000 workers. Though too small to indicate any real momentum, this gain is a move in the right direction. Meanwhile, wholesale prices of finished goods declined 0.1% in 1991, the first annual decline since 1986. Investors may be getting paltry yields on their investments, but they are losing a smaller bite to inflation.

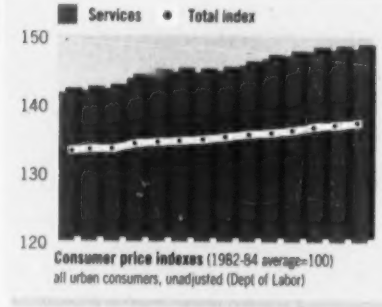
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales 1991 vs 1990[1]	Ward's Automotive	-11.0%
Index of leading indicators Nov vs Oct	Dept of Commerce	-0.3%
Trade balance 12 months ended Oct 1991	Dept of Commerce	-$71 bil
All-commodity producer price index Dec vs Nov[2]	Dept of Labor	-0.4%
GDP 3rd quarter vs 2nd—annualized growth	Dept of Commerce	1.8%
M2 (3-month change)—annualized growth[3]	Federal Reserve	2.0%

[1] U.S.-based manufacturers, excludes imports, as of 12/31/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

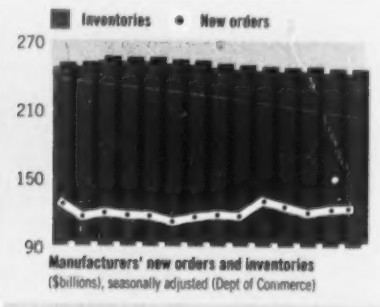
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

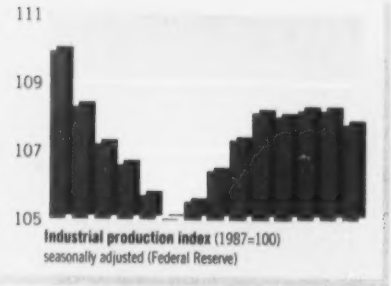
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

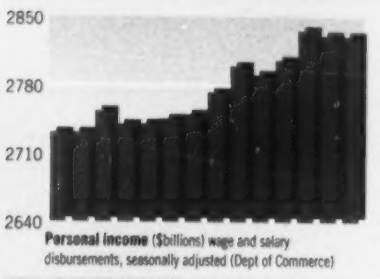


Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

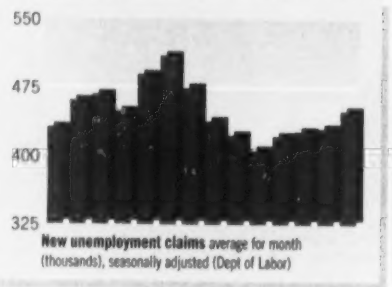


Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

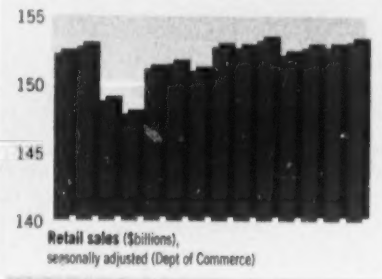
New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

O N D J F M A M J J A S O N O N D J F M A M J J A S O N O N D J F M A M J J A S O N

As businesses slim down, they sometimes spin off subsidiaries rather than sell them. Such spinoffs present opportunities for investors.

Healthy babies

By Eric S. Hardy

BACK IN 1984 Time Warner—Time Inc., as it was then—distributed to its shareholders stock in Temple-Inland, a timber company in Texas. Since the day after the spinoff, Time Warner stock has climbed only 112%, but Temple-Inland shares have almost quadrupled.

The Temple-Inland phenomenon is not very unusual. A diversified company aims to sharpen its focus or dump an unattractive sideline. Rather than sell the business, which might take a while or cost it corporate capital gain taxes, the parent just gives the business away to its own shareholders.

These spinoffs often present buying opportunities for astute investors. Enough of those shareholders may dump the spun-off company to depress the latter's share price for a brief period. Then the spinoffs bounce back in price.

Penn State finance faculty members James Miles, Patrick Cusatis and Randall Woolridge, in a research paper presented in Chicago last year, found that spinoffs outperform the market. "We studied 146 companies formed by spinoffs since the 1960s and concluded that, during their first three years, they outperform the S&P by 35%," says Miles.

Here's another success story. Kaydon, a Florida-based bearing manufacturer, was distributed in April 1984 to holders of a smallish electronics firm called Bairnco. Since then Bairnco stock has lost more than one-third its value. But Kaydon turned into a big winner. Its shares are up more than 700% since the 1984 spinoff transaction.

According to *Spinoff Report*, a monthly newsletter published in New York, 73 companies went public between 1984 and 1989 via spinoffs.

In the future, spinoffs may become less common. One of their attractions is the benefits they bring to the parent company. But these may end soon because of changes in tax law (FORBES, *Sept. 2, 1991*).

The table below shows ten announced but as yet unconsummated spinoffs. Several of these subsidiaries are clearly being booted out of the corporate nest because they drag down the parent's image or profits. Thus Dial (formerly Greyhound) is unloading its commercial lending outfit, and General Dynamics is detaching, with all the attendant product liability problems, Cessna Aircraft, a manufacturer of business aircraft. When they start trading separately, these spinoffs could present buying opportunities. But be careful: Don't overpay. Remember that other investors are not ignorant of the Kaydon phenomenon.

Look at each situation separately. You can't buy blindly and expect to get the excess returns that Professor Miles tabulated. ■

Kicking the little ones out of the nest

Parent/business	Recent price	Sales ($mil)[1]	Spinoff/business	Sales ($mil)[1]	Operating income ($mil)[2]	Proposed spinoff date
Burlington Resources/oil & gas	34¼	1,900	**El Paso Natural Gas**/natural gas	645	148	early 1992
Dial/consumer products	48½	3,519	**GFC Financial**/commercial lending	278	44	early 1992
First Mississippi/chemicals	11⅞	537	**FirstMiss Gold**/gold mining	74	3	undecided
General Dynamics/aerospace & defense	56½	10,173	**Cessna Aircraft**/business aircraft	716	106	undecided
Greyhound Lines Canada/bus transportation	28⅝	265	**Motor Coach Industries**/bus manufacturing	120	NA	mid-1992
Hathaway/precision instruments	3	51	**Global Software**/computer software	24	–2	undisclosed
Home Shopping Network/retailing	5⅛	1,079	**Precision Software**/voice response systems	NA	NA	early 1992
National Intergroup/wholesale drugs	14	2,879	**Ben Franklin Stores**/discount stores	339	NA	undecided
Team/industrial services	7⅝	103	**Universal Services**/infrastructure maintenance	63	10	undecided
Union Carbide/chemicals	23⅛	7,600	industrial gases[3]	2,400	NA	early 1992

[1]Latest fiscal year. [2]Earnings before interest and taxes. [3]Name of spinoff is yet to be announced. NA: Not available.
Source: Spinoff Report.

These companies plan to spin off subsidiaries to their shareholders. In the past, spinoff stocks as a group have outperformed their former parents. But now that The Street is wise to this historical phenomenon, it's likely that spinoffs won't be available at such bargain prices.

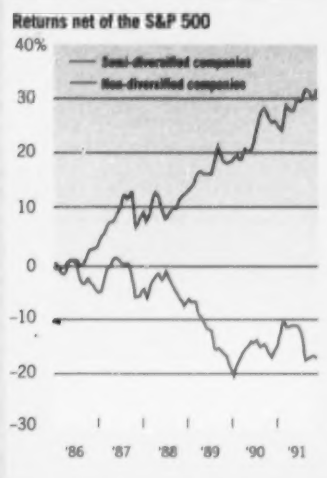
BY ERIC S. HARDY

"This bull market is a result of low interest rates that may be headed even lower, but [it] will need the substance of higher earnings for the rally to be maintained," says market strategist Alan Ackerman of Reich & Co. Ackerman says investors are flocking to the stock market not because equities are good values but because there is such a big penalty (in the form of low yields) to staying in cash. With a flat economy, he is turning cautious. He thinks it's too early, for example, to buy cyclical stocks like chemicals and metals. About the only companies that Ackerman favors are in the food processing and health care industries.

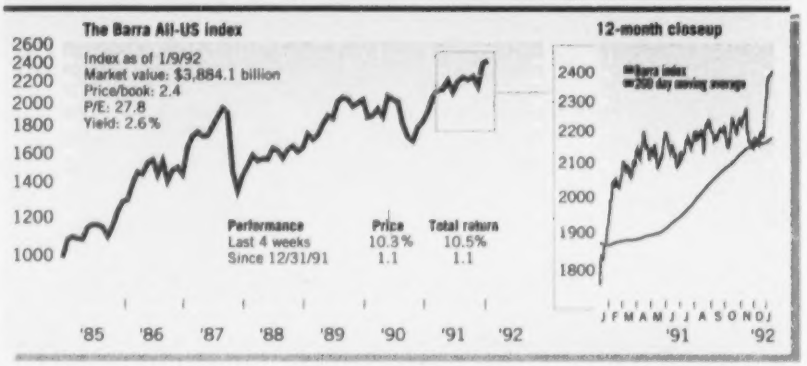
The so-called January effect—when small-company stocks outperform blue chips—worked magnificently in the early days of 1992. Less than halfway through January the Nasdaq is holding an 11% gain for the year, while the broad-based Barra All-US index is up 4%.

Special focus

A little bit of diversification is a good thing. Over the past five years stocks of modestly diversified companies have beaten the market. In contrast, widely diversified conglomerates merely matched the S&P 500 over that period. And despite their recent rally, single-industry stocks underperformed the S&P.



The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	4.4%	37.1%	0.0%
Sharpe/Barra Growth index[1]	3.4	45.5	-0.1
Sharpe/Barra Value index[2]	3.1	28.0	-0.5
Dow Jones industrials	4.1	28.4	0.0
S&P 500	3.2	32.8	-0.4
NYSE	3.4	33.5	-0.1
Nasdaq	10.8	71.3	0.0
Amex	8.0	36.3	0.0
EAFE[3]	2.9	12.8	-17.7
CRB index[4,5]	-0.3	-5.4	-23.4
Gold[5]	0.6	-8.5	-28.9
Yen[5]	-0.5	-6.3	-23.3
Oil[5]	-3.5	-35.6	-56.6

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Liposome	26 ½	102%	$-0.39	Harken Energy	3⅞	-39%	NA
Alkermes	28 ⅜	86	-1.10	Adia Services	15⅛	-17	$1.23
Neva Pharmaceutical	9 ¾	81	-0.25	TJ International	18¾	-16	1.42
Immunomedics	15 ⅞	72	-0.10	Rowan Cos	4¾	-16	0.02
Best Buy	23 ⅞	65	1.56	Transco Energy	16⅝	-15	1.38

The best and worst performing industry factors[8]

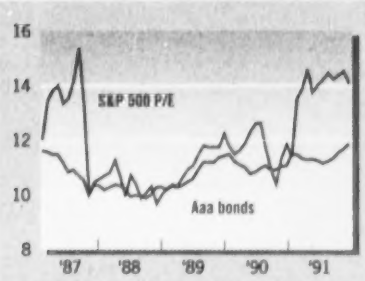
Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Hotels, restaurants	12.3%	11.0%	Oil service	-12.5%	-12.9%
Motor vehicles	11.0	9.4	Aluminum	-0.9	-4.6
Precious metals	10.7	1.7	Thrifts	-0.4	-3.1
Media	10.5	4.7	Gas utilities	0.3	-3.0
Tobacco	10.3	4.0	Leisure, luxury	0.0	-4.8

Note: Data for period ending 1/9/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

WHAT THE ANALYSTS THINK

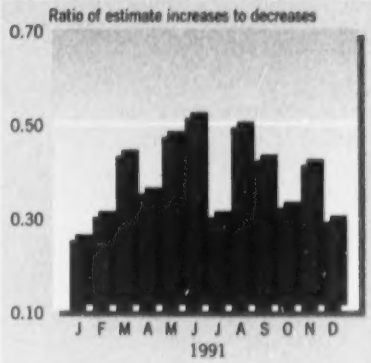
BY STEVEN RAMOS

S&P 500 P/E* vs. Aaa bonds†



*S&P 500 P/E is the recent price of the S&P 500 divided by estimated earnings over the next 12 months. †Actual and projected price-to-coupon ratio for Moody's Aaa corporate bond index.

S&P 500 companies



Forecasting the S&P 500

Year	Estimated P/E	% change current vs. 3 months ago	Expected year-to-year EPS growth
1990[1]	17.5	NA	-7%
1991	19.8	-5%	-11
1992	15.2	-5	30

1991 estimates for industry groups

Rising estimates	Falling estimates
auto parts (replacement)	automobiles
toys	airlines
containers/paper	aluminum
housewares	steel
railroads	misc metals

With the market rallying to record highs, it is not surprising that security analysts—many of whom are biased toward optimism because it's good for their brokerage house employers' business—are putting out optimistic earnings forecasts. Current projections call for an eye-popping 30% increase in profits for the companies underlying the S&P 500 index in 1992 (to $27.40).

Take that optimism with a grain of salt, however. One year ago the same group of Wall Streeters thought that S&P 500 earnings would rise 14% in 1991. It now appears that 1991 earnings will come in 11% *lower* than 1990 earnings.

Here's another reason to be cautious. Even if the 30% earnings gain arrives on schedule, today's stock prices are levitating at 15 times those anticipated earnings. In the past month the price-to-expected-earnings ratio has gone from an 18% premium to a 28% premium over the corresponding ratio for bonds—that is, the price/coupon ratio. The last time there was such a wide discrepancy between anticipated P/Es on stocks and price/coupons on bonds was just before the crash of 1987.

Who's hot

Greatest increase in estimates over the past three months

Company/industry	1991 EPS[2]	1992 estimate: recent	1992 estimate: 3-month change	P/E	3-month price change	Reason
Michigan Natl/banking	$3.02	$4.02	25%	10	8%	Improved lending margins
Goodyear Tire & Rubber/rubber	1.21	3.21	24	17	20	Lower raw material costs, efficiencies from restructuring
Adv Micro Devices/semiconductors	0.70	1.30	23	14	54	Higher revenues from its 386-clone microprocessor
Great Lakes Chemical/chemicals	4.83	6.24	18	18	17	Benefits from acquisition of Octel
Metropolitan Finl/savings & loan	4.54	3.60	16	6	-3	Improved lending margins, strong loan production

Who's not

Greatest decrease in estimates over the past three months

Company/industry	1991 EPS[2]	1992 estimate: recent	1992 estimate: 3-month change	P/E	3-month price change	Reason
Ford Motor/auto	$-4.28	$0.63	-69%	45	-4%	Eroding market share, higher marketing costs
Trinova/machinery	-0.54	0.98	-48	20	-10	Weak European industrial and domestic auto markets
Bethlehem Steel/steel	-2.52	0.86	-47	16	-11	Falling steel prices, decline in sales
Bowater/forest products	1.22	1.02	-39	21	-4	Soft prices for pulp and newsprint
Inco Ltd/metals	1.00	1.44	-37	21	-7	Lower nickel prices, increased production costs

Note: Companies listed have a market capitalization of $100 million or more. [1]Actual. [2]Estimate. Earnings projections are Wall Street consensus estimates data from 3,000 security analysts compiled by the Institutional Brokers Estimate System, a service of IBES, Inc. Aaa bond yield forecasts supplied by Blue Chip Economic Advisors. NA: Not available.

With their funds back in public favor, junk bond fund managers have a problem: Where will they get the merchandise they need?

Empty shelves

WITH THEIR impeccably bad timing, investors, having dumped junk bond funds at low prices in 1990, are now clambering back in. They were attracted not only by high yields but by the news that the junk funds as a group showed total returns of an astounding 36% last year. Through November, customers put $2 billion more into junk bond funds than they took out in withdrawals and monthly dividend checks. That was after they pulled $5 billion net from the same funds in 1990.

Not that junk bond funds do not still offer good yields; they do. But all the new money pouring in poses a huge problem for the fund managers: how to invest it. The managers are competing not only with one another but with bond issuers themselves. The latter are taking advantage of willing equity markets and lower interest rates to replace their high-coupon debt with equity or new, lower-coupon debt. The result is a high-yield bond shortage, predominantly in the top tier, and sinking yields.

RJR Nabisco, Owens-Illinois, Ann Taylor, Duracell, Amphenol and Filene's Basement are just some of the better-quality junk bond issuers that retired some of their bonds in 1991. Mark Vaselkiv, comanager of the T. Rowe Price High Yield Fund, says $87 million worth of the bonds in his $1 billion fund were called or tendered for in the fourth quarter of 1991. He figures that another $180 million are callable by June 1992. He will have trouble reinvesting the proceeds at attractive rates.

Most high-yield bonds were issued between 1986 and 1989 and were noncallable in the first three to five years. Now issuers can refinance them. "The majority of the market is callable in the next two years," says Joseph Bencivenga, director of junk bond research at Salomon Brothers.

During the past year Michael McNamara, manager of Kemper's high-yield portfolios, has been trying to improve his call protection. For example, he traded Lear Siegler Seating 14¼s for another Lear Siegler issue with just a 14% coupon but with two more years of call protection. "I suspect other fund managers are doing the same," says McNamara.

As the managers crowd into the high-yield market, they have to compete with issuers anxious to buy their own debt, sometimes at a discount, and retire it or replace it with lower-yielding debt. Take the case of textile manufacturer Burlington Industries, the object of a 1987 leveraged buyout. Last fall the company used a $70 million bank loan and cash to buy back $250 million face value of bonds on the open market for $133 million. That was after picking up $40 million in face value in a tender offer at 18 cents on the dollar.

Increased demand for junk and the attractiveness of refinancing mean that bonds issued by the higher-grade junk issuers have become scarce. So in order to keep fully invested and maintain an attractive yield, some funds have moved into lower-quality stuff. Here they have found no shortage of bonds because the junk market on the whole hasn't shrunk significantly. Salomon Brothers estimates that the market contracted slightly from $214 billion at the end of 1990 to $203 billion at the end of 1991. The net loss came from repurchases and upgrades of junk debt to investment-grade status. Meanwhile, there have been significant downgrades, holding the supply steady. Case in point: the $30 billion of debt issued by Chrysler Corp. and its finance subsidiary. However, the downgrades usually go to the middle or bottom tier of the junk bond market. "They don't help the situation in the top tier, where demand exceeds supply," says Salomon's Bencivenga.

As investors crowd into this limited segment of the market, prices will continue to rise and yields drop. Take the BB-rated Owens-Illinois 11s. The bonds are callable in 1999 at 103 and are now trading at 106 for a yield to worst of just 10%. (Yield to worst measures the compound annual return that the holder would have, buying at today's price and surrendering in a call that occurred at the most inopportune time.) At 10% those bonds yield just 2.5 percentage points more than top-rated corporates.

Thus the Federated High Yield Trust, which was yielding 17.5% a year ago, now has an 11.7% yield. And the average bond price in its portfolio is now 102, meaning that many of the

Join the crowd

Fund	3-year return[1]	Yield[2]	Manager	Expense ratio[3]
Federated High Yield Trust	9.6%	12.1%	Mark Durbiano	0.78
Fidelity Capital & Income Fund	6.5	10.0	David Breazzano Dan Harmetz	0.81[4]
T Rowe Price High Yield Fund	4.8	11.3	Richard Swingle Mark Vaselkiv	1.03
Vanguard Fixed Income-High Yield	7.5	11.0	Earl McEvoy	0.40
American High Income Trust	11.8	10.3	Multiple managers	1.00
Kemper Diversified Income Fund	12.6	12.6	Michael McNamara	1.23
Liberty High Income Bond Fund	11.6	11.8	Mark Durbiano	1.03
Merrill Lynch—High Income-A	11.6	12.4	Vincent Lathbury	0.66

[1] Annualized. [2] Last 12 months' income dividends, divided by net asset value. [3] Annual expenses as percent of net assets, latest fiscal year. [4] Distributor may impose redemption fee, which proceeds revert to the fund.

Junk yields are still fairly high, but nothing like the bonanzas they were a year ago. The table lists the four largest no-loads and the four best performing out of a group of load funds. Stick to the no-loads unless you need hand-holding from a broker.

bonds are vulnerable to call.

With bond prices so high and new money coming in every day, it is no surprise that some high-yield fund managers have begun trading down in quality. Alan Petersen, manager of the Cigna High Yield Fund, has bought the junk issues of cyclical companies such as Uniroyal Chemical and Quantum Chemical. Vaselkiv of T. Rowe Price is considering adding dollar-denominated Mexican debt, currently yielding 11%, to the T. Rowe Price High Yield Fund.

The shortage of high-quality merchandise explains why one high-yield manager has looked so eagerly at bank debt. Commercial banks are loaded with so-called HLT loans—the debt of highly leveraged transactions. Regulators have been leaning on banks to cut back on HLT loans in their portfolios. By selling off some of these loans the banks can make the regulators happy even if it means parting with some excellent yields.

"The real opportunity was bank debt," says David Breazzano, comanager of Fidelity's Capital & Income Fund, whose charter now permits it to buy defaulted debt as well as solvent junk. "We bought senior, secured bank paper at discounts to subordinated, unsecured junk bonds. We are buying at 50 cents and 60 cents on the dollar." The discount is partially offset by the lower interest rate on bank debt, but Breazzano expects 20% to 30% annual returns on the bank loans. Insurance companies are also selling privately placed lower-rated debt that they hold. "That is a potential opportunity," says Breazzano.

Since FORBES advised investors to buy junk bond funds in its Apr. 30, 1990 issue, the funds have had a 27% total return on average. What now? Don't expect a repeat of 1991. "My portfolio is at $102 [value per $100 of bond par value]," says Mark Durbiano, manager of Federated High Yield Trust. "Could it go to $105? Sure. To $140? Not really."

For yield plus a chance at modest appreciation, the high-yield funds are still attractive. But bear this in mind: A junk bond acts like a cross between a bond and a stock. If the stock market turns sharply down, it could take junk bonds with it, even if interest rates don't go up. –S.O. ■

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The cost of tort: $300 billion a year and growing

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British Petroleum Chairman Robert Horton

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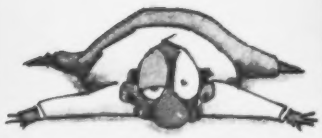

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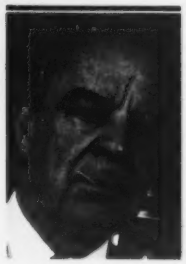

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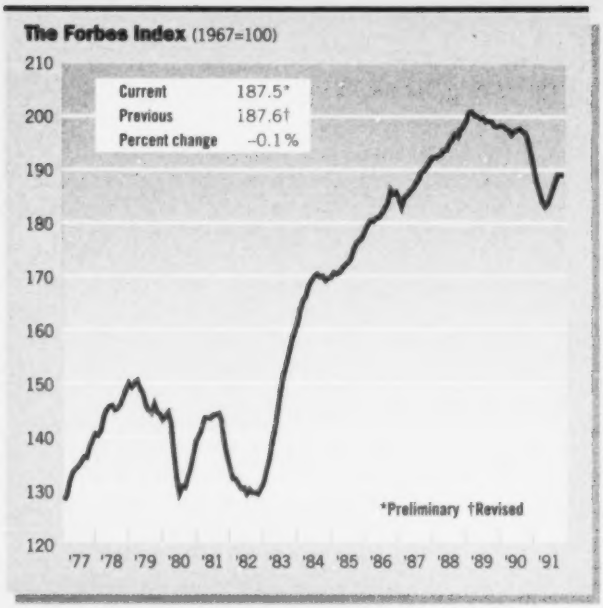
THE FORBES INDEX

BY TIMOTHY DODMAN



How weak was the economy in 1991? Pretty weak. New housing starts fell nearly 15% last year, to just over 1 million units, the lowest level since 1945. Retail sales gained 0.7% in 1991, the smallest increase in three decades. By contrast, the Consumer Price Index was 3.1% higher in December than it was a year earlier. With weak consumer demand and plenty of excess industrial capacity, corporations may have a hard time raising prices. This could put a damper on the earnings rebound that many expect for the year ahead.

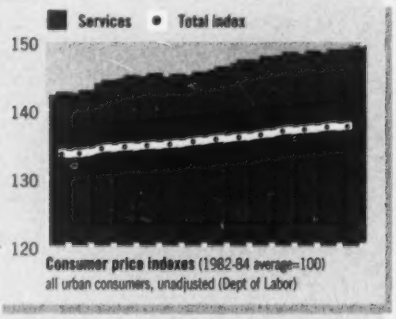
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	-8.1%
Index of leading indicators Nov vs Oct	Dept of Commerce	-0.3%
Trade balance 12 months ended Nov 1991	Dept of Commerce	-$65 bil
All-commodity producer price index Dec vs Nov[2]	Dept of Labor	-0.4%
GDP 3rd quarter vs 2nd—annualized growth	Dept of Commerce	1.8%
M2 (3-month change)—annualized growth[3]	Federal Reserve	1.6%

[1] U.S.-based manufacturers, excludes imports, as of 1/20/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

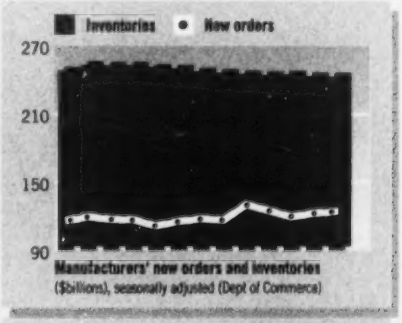
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

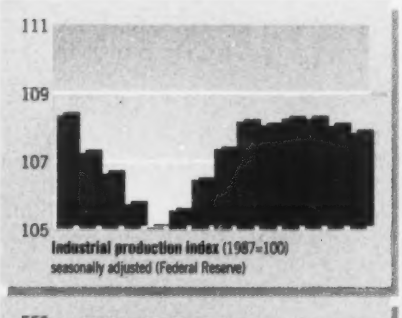
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



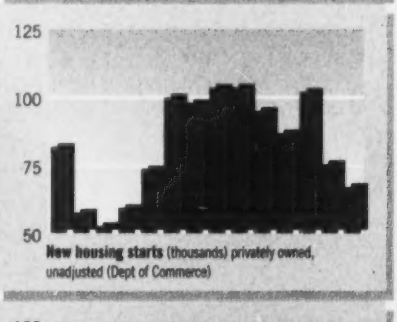
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



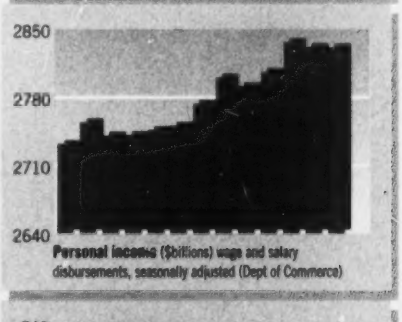
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

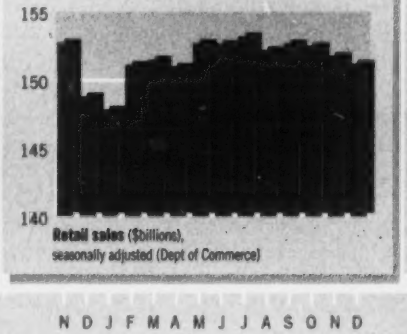


New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

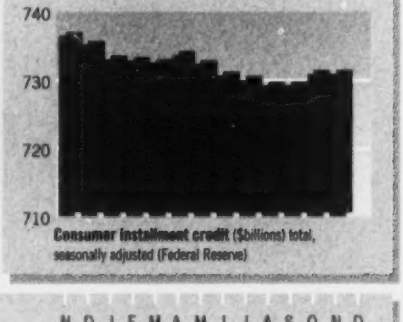


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

N D J F M A M J J A S O N D N D J F M A M J J A S O N D N D J F M A M J J A S O N D

Suing for damages has become both a huge industry and a tremendous drag on American industry's ability to compete.

The tort tax

By Leslie Spencer

MILLIONS OF ordinary Americans may be worried about the economy, but 1992 already promises to be another big year for the country's trial lawyers. Arm in arm with the Scientologists, the plaintiffs' bar is in hot pursuit of Eli Lilly, maker of the antidepressant Prozac. A flurry of liability suits is about to engulf Upjohn, maker of Halcion, the popular sleeping pill. On a third front, plaintiffs' lawyers have just filed hundreds of cases against Dow Corning's silicone breast implants, which they hope will enrich them as asbestos enriched them in the 1980s.

Further down the line, plaintiffs' lawyers are assessing their prospects against Nutri/System and HMR 500 diet plans. The Civil Rights Act of 1991 promises to generate countless lawsuits against employers.

How much does all this tort litigation cost the U.S.? Two years ago FORBES reported the tort system's direct costs at $80 billion a year (FORBES, *Oct. 16, 1989*). That figure was based on a study by Tillinghast, a Hartford-based actuarial consulting firm. It represented lawyers' fees, payouts to claimants and insurers' administrative costs in 1985.

The estimate did not go down well with the trial lawyers and the groups associated with them. Last October Joan Claybrook, president of Ralph Nader's Public Citizen, told PBS' *Adam Smith's Money World* that the annual cost of torts is just $30 billion. Claybrook sourced her figure to a study done by Rand Corp.'s respected Institute for Civil Justice, and asserted that the FORBES figure had "no statistical basis whatsoever."

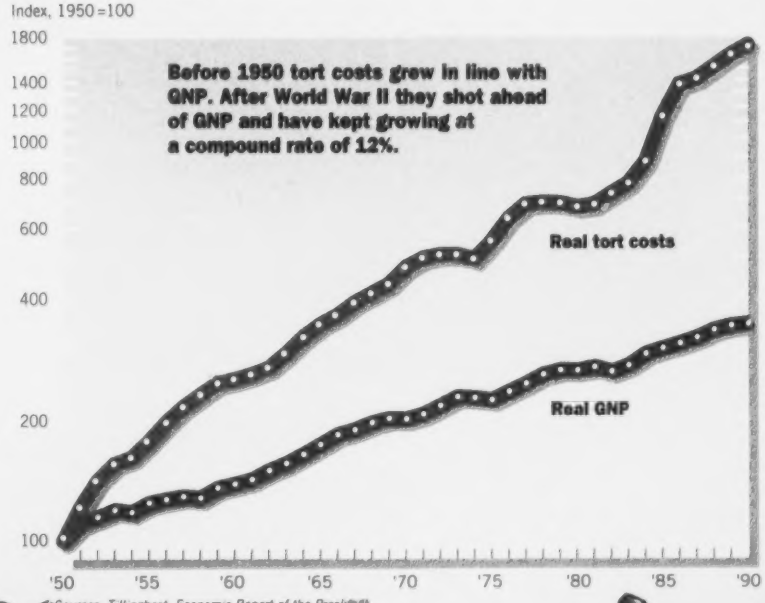
If anything, FORBES' estimate understated the true cost of the tort system. In a recently released update of its 1984 study, Tillinghast analyzed liability insurers' costs for 1987. Its conclusion: Tort claims cost the country $117 billion that year. James Kakalik, coauthor of the Rand study cited by Claybrook, says it is Tillinghast's $117 billion number, not Rand's $30 billion to $36 billion range, that represents the direct "tort tax" consumers end up paying.

Robert Sturgis, who wrote the latest Tillinghast study, notes that from 1933 until 1950, U.S. tort costs grew in line with the overall economy. Since 1950, however, they have grown at a compound rate of 12% a year—much faster than the costs of workers' compensation, government-paid health care and welfare. Assuming that tort costs kept growing at 12% after 1987, the cost last year came to $184 billion—nearly on a par with the country's net private domestic investment.

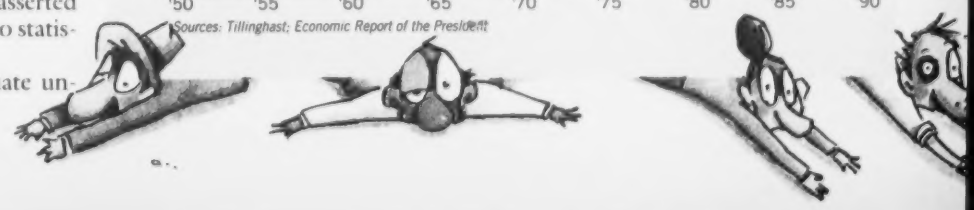
Where does all the money go? Both Rand and Tillinghast agree that injured claimants end up with only half of the proceeds from this tort tax. Further, according to Tillinghast, only a quarter compensates economic losses of plaintiffs. (The other quarter pays for plaintiffs' "pain and suffering.") The other half goes to insurers' administration costs and to lawyers to cover their fees and the expenses they incur on things like discovery and expert witnesses.

How could two studies come up with such different numbers? The Rand study set out to measure only the costs directly associated with state and federal lawsuits. The Tillinghast study went further. It took into account such costs as the payments to resolve the millions of potential lawsuits that never reach the courthouse, and the costs to insurers of processing

Torts vs. GNP



Sources: Tillinghast; Economic Report of the President



claims and defending suits.

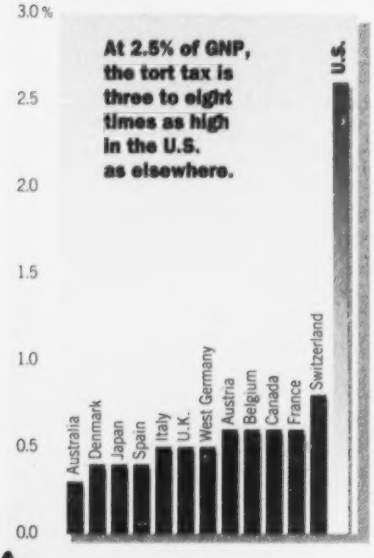
Note that the Tillinghast and Rand studies consider only the tort system's *direct* costs to the economy. Beyond the direct costs are the harder-to-measure—but very real nonetheless—indirect costs incurred in efforts to stay out of the trial lawyers' talons.

For example, a 1989 American Medical Association study estimated that for every $1 they spend on insurance premiums, doctors spend $2.70 performing often unnecessary tests and beefing up record keeping to avoid litigation; this suggests that excluding premium costs of about $5 billion to $6 billion, the indirect tort tax related to medical malpractice liability alone cost the economy about $15 billion that year.

How much of the nation's $738-billion-a-year health care bill can be laid to the tort system? Hard to say, but a 1991 study of auto injury claims in Hawaii by the Insurance Research Council gives some indication. The study reports that medical treatment of a typical neck sprain from whiplash comes to about $1,300 if handled without a lawyer, on a no-fault basis. The cost to treat the same injury if part of a tort claim comes to about $8,000.

Out front and losing

Tort costs as percent of GNP



Source: Tillinghast, 1987 study

One can argue that the right of consumers to sue to recover for injury protects us against incompetent doctors, and manufacturers who make lawnmowers that cut fingers along with the grass. The problem with the argument is that the tort industry has grown so large that it is now reducing the quality and availability of many goods and services.

There are countless examples. Toxic leak detectors, useful to anyone handling toxic substances, were designed in the mid-1970s. But many were kept off the market out of fear of lawsuits should the detectors fail.

Or take small planes. Very few new, technologically advanced single- and

Tort gushers for 1991

Juries handed down these jackpot tort verdicts last year. The top ten total comes in at three times the total of just three years ago.

$127.7 million Chicago	Product liability verdict against drug manufacturer Upjohn Co., alleging that anti-inflammation drug Depo-Medrol caused blindness, which resulted in loss of plaintiff's eye.
$91.3 million Brooklyn	45-plaintiff consolidated award in case tried against Owens-Corning Fiberglas and other asbestos manufacturers. Same jury still deciding product identification, defendant's culpability and punitive damages.
$86.5 million St. Louis	Sum of verdicts against Decom Medical Waste Systems, KML Corp., Bunker Resources, Recycling and Reclamation Inc. and Raymond Adams, for accusing plaintiff of bringing AIDS virus into a hospital. Settled, amount sealed.
$84.5 million Houston	Premises liability award against an apartment complex and its management company in case of children drowned and brain-damaged in complex pool. Settled for $17 million.
$75 million New York	Product liability case consolidating 36 plaintiffs against the Manville Trust, Owens-Illinois and other asbestos manufacturers.
$62 million Santa Ana, Calif.	Insurance bad faith award against Truck Insurance Exchange and Farmer's Insurance Exchange where insurer was accused of failing to pay for insured's legal defense. Judge reduced verdict to $58 million. On appeal.
$61.2 million Anchorage	Insurance bad faith case against underwriters at Lloyd's of London for failure to pay a restaurant owner's fire insurance claim. On appeal.
$47 million Houston	Product liability case against Fibreboard and three other asbestos manufacturers for 275 plaintiffs.
$35 million Los Angeles	Finding against California for failure to maintain center barrier of interstate highway in case of accident resulting in quadriplegia to a 34-year-old man. Settled for $15 million.
$33.8 million Corpus Christi	Product liability award against Merrell-Dow Pharmaceuticals for birth defects allegedly caused by pregnant woman's use of Bendectin.

Note: Excludes civil verdicts against alleged or convicted criminals.
Sources: Jury Verdict Research; Jury Verdict Review; FORBES.

Where lawyers are prospecting

If juries go along, these hot new tort topics will make plaintiffs' lawyers and their expert witnesses rich.

Breast implants	Hundreds of cases pending against Dow Corning, other manufacturers and physicians, arising from alleged implant leaks and fibrous tissue formation.
Halcion	At least 20 cases pending against Upjohn Co.'s drug alleging behavioral side effects resulting in paranoia, suicide and murder.
Insurance policies	Hundreds of bad faith cases pending against many insurance companies and agents alleging emotional distress after the insured's claim is rejected.
Electromagnetic fields	About a dozen personal injury cases against several utility companies and electrical transmission equipment manufacturers alleging brain damage, cancer and leukemia caused by electric and magnetic fields.
Prozac	An estimated 100 cases pending against Eli Lilly & Co. Supposed adverse effects include suicidal and homicidal behavior.

twin-engine planes are manufactured today because of liability costs to the manufacturer. The perverse consequence: Older planes stay in use longer than they would if prices of new ones weren't so high.

Although impossible to quantify precisely, it's likely that the tort system's indirect costs are at least as high as the direct ones. That would put the annual tort tax at well over $300 billion today—and growing rapidly. Rand's James Kakalik thinks that the American Medical Association's estimate that medical malpractice's indirect costs are over 2½ times direct costs is a fair high-end estimate for the tort system as a whole.

Whatever its precise dimension, the tort tax is now weighing heavily on the ability of American industries to innovate and to compete internationally. At 2.5% of U.S. GNP, the tort system's direct costs (as estimated by Tillinghast for 1987) impose a burden in the U.S. five times that in the U.K., and almost seven times the level in Japan *(see chart, p. 41)*.

There are a few rays of hope. Vice President Dan Quayle is pushing tort reform, targeting such areas as frivolous lawsuits, arbitrary punitive damages, "junk science" in the courtroom (FORBES, *July 8, 1991*). Among Quayle's proposals: Ban contingency fees for expert witnesses, curb punitive damages and adopt the English Rule, whereby losers pay the winners' costs. Last October President George Bush signed an executive order mandating that all government agencies implement Quayle's proposed reforms when litigating. In his State of the Union address late last month, Bush again called for tort reform.

But effective reform remains elusive. Those who oppose it are too powerful and have too much at stake. As of Jan. 22 a loser-pays rule is authorized in most cases the government brings. But this sensible reform is toothless without budget approval from Congress, whose members are unlikely to approve.

Perhaps the only real solution lies with judges and juries. As they begin to appreciate the true magnitude and ramifications of the spiraling tort tax, they will be more likely to throw frivolous lawsuits and venal demands back at the lawyers responsible. ■

His enemies say it's only a matter of time before William Dean Singleton's highly leveraged newspaper empire totally collapses. The wait may be long.

"We're the only one left"

By William P. Barrett

WILLIAM DEAN SINGLETON's first effort at owning a daily newspaper ended badly but memorably. His *Fort Worth Press*, a poorly financed revival facing an entrenched competitor, shut in 1975 after only three months. On the final day, angry reporters hurled beer cans at Singleton as he made a newsroom speech.

"I was 24 years old then," he says, clearly pained by the memory. "I've learned a lot since then."

Among the things Singleton, now 40, has learned is how to finance his acquisitions. Rule number one: Use other people's capital. Rule number two: Don't use all your assets as collateral for a loan to buy another property; that way, one piece of the empire can go down without dooming the whole empire. And never sign personal guarantees for corporate loans. Another important rule: Keep overhead down. Singleton's headquarters staff: just 14 people.

MediaNews Group's William Dean Singleton **Gets a dreadful word-of-mouth.**

With aggressive borrowing and diligent cost-chopping, Singleton—who tends to leave daily operations to his lieutenants while he makes deals—has built quite a business. Revenues of his privately owned parent, Houston-based MediaNews Group, were an estimated $450 million last year. Its 15 dailies in 9 states include the *Denver Post*, the *Houston Post* and monopoly papers in several smaller cities.

Singleton made his first MediaNews acquisition in 1983 when he paid $10 million for the *Gloucester County Times*, in the New Jersey suburbs of Philadelphia. Some $7 million of that came from banks. The rest came from Richard Scudder, a third-generation newspaper owner who had run the now defunct *Newark Evening News*. Now 78, Scudder is still Singleton's 50-50 partner and MediaNews' chairman.

As media values rose during the 1980s, Singleton was often able to entirely finance a new property with a short-term bank loan, later refinanced with longer-term investors. MediaNews' debt and preferred stock is down to around $400 million.

Recently, of course, media values have been falling and cash flows slowing. Singleton's many detractors—he gets a dreadful word-of-mouth within the business, partly because he often furloughs employees—predict his

If you are too timid to dive into the overheated stock market, too unhappy with paltry returns to stay in cash, there is a plausible middle course: a package of bond mutual funds.

Fixed-income strategy for fund buyers

By William Baldwin

BOND FUNDS are attracting two sorts of investors these days. One group consists of timid CD holders. They missed the bull market in stocks and they have no desire to jump in now. Their bank deposits are coming due, and they aren't happy with the low returns banks are offering. Bond funds may offer them a better deal.

In the other camp are former equity investors who simply think stocks are overpriced at 27 times trailing 12-month earnings. They hear a chorus of bulls explaining that with money rates low and no place else for investors to go with their money, the stock market can only go up. These contrarians are attracted to bond funds now as a temporary holding. They will emerge to buy stocks when stocks drop to a more normal 12 times earnings.

If you find yourself in either camp, this primer on fixed-income investing via mutual funds may be of interest. There are many circumstances in which investors, even well-heeled ones, do better buying their bonds through a fund than directly.

Following this essay are tables covering stock funds (beginning on page 156), tax-exempt bond funds (page 162) and taxable bond funds (page 164). This abbreviated update to our annual fund survey shows bull and bear market ratings for 656 funds, along with total returns for 1991. The annual review, which will next appear Aug. 31, has more detail about fund assets, loads and expense ratios.

How good a return can you get from bond funds? Not enough to make you rich, but enough to keep ahead of inflation. A moderately risky portfolio of efficiently managed bond funds has a likely return of about 3% a year above inflation. The risk can be dampened somewhat by getting the government to share your losses. The risk should also be diminished with a little diversification; a handful of funds will do.

Let's recapitulate those points as four rules of bond fund investing.

The first rule: *Have rational expectations.* The easiest mistake for a bond fund investor to make, especially a newcomer arriving from the safer world of bank CDs, is to project the recent past into the future. But last year's total return on a fund says next to nothing about its expected future return.

If you want to know what to expect from a fund, start with this simple formula: Expected return equals yield minus expenses. Find out what yields are on the kind of bond the fund owns, and subtract the fund's overhead cost, or annual expense ratio. Example: Vanguard's long-term Treasury fund buys U.S. government bonds yielding 7.7%, and runs up annual costs of 0.3%. So its expected return is 7.4%. The fund's total return (yield plus capital gains) over the next year could be much better or much worse, depending on which way interest rates go. But you can think of the 7.4% as par for the course. That's all you'll get if interest rates don't change.

A statistical expectation is an average of all possible outcomes, weighted by their probabilities. What would you pay for a raffle ticket that has a 50-50 chance of paying either $10 or $100? The expected return on this gamble is exactly $55—50% of $10 plus 50% of $100. Note that the actual return on a single ticket will be some other number—$10 or $100. But the $55 figure says what this ticket is worth to a rational buyer. An irrational buyer pays $60 if he has just won $100 on the last flip of the coin.

Best buys in bond funds

Fund	5-year total return annualized	Annual expenses per $100	Yield*	Telephone
Long-term bond funds				
USAA Mutual–Income Fund	11.1%	$0.46	7.8%	800-531-8181
Value Line US Government Securities	9.9	0.66	7.4	800-223-0818
Vanguard Fixed Income–Invest Grade	10.2	0.37	8.2	800-662-7447
Vanguard Fixed Income–US Treasury	9.2	0.30	7.4	800-662-7447
Ginnie Mae funds				
Benham GNMA Income	10.1	0.72	8.3	800-472-3389
Federated GNMA Trust	10.4	0.52	8.0	800-245-5000
Franklin US Govnmt Securities	9.7	0.52	7.8	800-342-5236
Vanguard Fixed Income–GNMA	10.4	0.34	8.2	800-662-7447
Junk bond funds				
Federated High Yield Trust	9.1	0.78p	11.4	800-245-5000
Lord Abbett Bond-Debenture Fund	9.3	*0.88*	9.8	800-223-4224
Merrill Lynch Corp–High Income	10.5	0.69	10.9	800-637-3863
Vanguard Fixed Income–High Yield	7.7	0.40	10.5	800-662-7447
Municipal bond funds				
Fidelity Tax-Free–Aggressive	8.7	0.66	6.9	800-544-8888
Vanguard Muni Bond–High Yield	8.6	0.26	6.4	800-662-7447
Vanguard Muni Bond–Insured L-T	8.6	0.26	6.1	800-662-7447
Vanguard Muni Bond–Intermediate	8.1	0.26	5.7	800-662-7447

*Current yield as defined by the Securities & Exchange Commission. p: Net of absorption of expenses by fund sponsor. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1%.*

These funds all score well on two tests: high performance and low costs. Performance is total return over five years, with penalties for volatility. Costs are sales loads (assumed to be spread over five years) plus annual expenses.

In the following tables, we publish a 12-month total return, which is the sum of dividends plus price gains or losses. Think of this number as what the lottery ticket paid on the last coin flip. Use it to compare a fund with a similar fund, not to compare it with a bank deposit.

Consider Benham Target Maturities–2015, a fund designed to mimic the performance of a zero coupon bond due in 23 years. Last year, with interest rates falling, the fund delivered a total return of 22.5%.

Is that an indication of what you can expect in the future? Not at all. Indeed, if you intend to hold this fund until 2015, there is no question of probabilities. You know the outcome in advance. The zeros are now yielding 8.1% to maturity. That, minus the fund's annual expenses, will be your return over the years.

The yield-minus-expenses formula works fine for the highest-quality noncallable bonds, which most Treasurys are. (Some long-term Treasurys can be called five years before maturity.) Risky and callable bonds need a further adjustment.

Junk bond funds have high yields that are offset by occasional losses of principal when an issuer defaults. (Think of Macy's.) What's the expected default loss? There's no magic formula, but a prudent investor would allow for a percentage point or two of annual loss.

Edward Taber III, director of T. Rowe Price's taxable bond division, says that junk prices should be firm enough this year to fully offset default losses, but that's a bullish view. If his prediction holds, a junk fund holder will enjoy a total return this year close to the fund's dividend rate, typically 10% to 12%. Note that Taber is not basing his prediction on what the T. Rowe Price High Yield Fund did last year—a total return of 30.9%.

Municipal bonds, unlike Treasurys, can often be called in early if the issuer so desires. This turns the bond into a heads-you-lose, tails-you-break-even proposition. If interest rates go up, you are stuck with the low-yielding bond. If rates go down, the bond gets taken away from you.

What does this do to your expected return? The answer depends on just what bonds your fund manager is buying. But, as a rough rule of thumb, subtract 0.2% from the stated yield of a long-term bond, says Ian MacKinnon, who runs Vanguard's fixed-income bond fund division. If a long-term muni fund reports a yield of 6.2%, then you should expect only 6% from it.

Ginnie Mae fund buyers also need a downward adjustment in their expectations. The risk here is that homeowners will call in the Ginnie Maes by refinancing their homes very quickly—but only if interest rates fall. This bias against the investor knocks maybe 0.5% off the expected return. With Ginnie Maes yielding up to 8.3%, a Ginnie Mae fund with a 0.5% expense ratio will have an expected return of only 7.3%.

One other factor should figure into your expectations if you plan ever to

live off your bond fund, and that is inflation. Prices are up some 3% from a year ago, but inflation would have been higher with food and energy excluded. Pessimists should knock 4% off expected returns to get a real expectation. Bottom line: 3% to 4% real returns on Treasury funds, slightly more on Ginnie Mae funds.

The second rule of bond fund investing: *Watch your costs.* Good bond funds have zero transaction costs (no loads or redemption fees, that is) and low annual costs.

How low is low? Vanguard's U.S. bond funds run up 0.3% or so in annual expenses. If a fund wants to charge you substantially more, there ought to be a compelling reason, such as enormous convenience or outstanding past performance over many years. The table (page 153) lists 16 Best Buy bond funds in 4 categories, selected on the basis of good performance and low costs.

Good bond funds, which are extremely liquid, beat direct investments in bonds. You can sell a no-load bond fund with a telephone call. To be sure, Treasurys bought directly from the government incur no annual overhead costs. But selling a Treasury before it matures will cost you a brokerage fee. And funds buy in even lots of $1 million. Most individual investors are odd-lotters and pay more.

Investors in municipal or junk bonds have even less justification for buying directly. In those markets, credit risk compels the sane investor to hold at least 20 positions for diversification. With bid/ask spreads wide on odd lots (less than $100,000), junk and muni investors need at least $2 million before they outgrow their need for funds.

Third rule: *Get the government to share your losses.* A classic maneuver in bond investing is the year-end tax swap. If your bonds have declined in value, you sell for a deductible capital loss and immediately repurchase similar, but not identical, bonds. (If you immediately buy back identical securities, the Internal Revenue Service won't permit the deduction.) The drawback is high transaction costs, those bid/ask spreads that the broker may have forgotten to tell you about.

Solution: Buy no-load bond funds instead of bonds. Swap out of, say, a Dreyfus muni bond fund, take your loss, and put the proceeds into a similar Fidelity muni fund. The two funds will respond similarly to a rebound in the muni market, so you don't risk cashing out at the bottom. But the funds are not identical in the IRS' eyes.

Remember, you are not trying to lose money on bond funds just to get a tax deduction. If you buy a muni fund with a 6% expected return, you hope to be pleasantly surprised with a 12% return. If rates fall and your fund shares appreciate, don't sell, since you'd owe capital gain tax. But if the market dips, swap. A capital loss is deductible against any amount of capital gain plus up to $3,000 of other income.

Final rule of bond fund investing: *Diversify—a little.* Since funds are already diversified, you don't need a fistful of them to spread your risk.

A plausible portfolio if you are in a high tax bracket would be this: 25% each in a money market, a junk bond fund, a Ginnie Mae or Treasury fund and a municipal bond fund specializing in bonds from your home state. Dividends on junk and Ginnie Mae funds are fully taxable. Treasury funds pay income that is usually exempt from state and local taxes, and local muni funds pay dividends usually exempt from both state and federal tax. With this spread, you would do much better than you would sitting on all cash, awaiting the coming of a cheap stock market. You would be exposed to some interest rate risk, but not a huge amount, and some risk from department store bankruptcies, but not an unbearable amount.

Divide your business between two no-load fund houses; if you maintain a money market account at each, a tax-loss swap is as easy as two phone calls. For a bond fund investor, more than two fund houses is unnecessary clutter. ■

Stock and balanced funds

If the best measure of what to expect from a fund were its recent performance, just about all of these stock and balanced funds would be great buys. They averaged a 35.7% total return last year, 5 points ahead of the market.

But the point cannot be overemphasized: The fact that a fund, or the market, was recently strong says nothing about its likely return this year. For that reason we grade funds separately in bull and bear markets. Unless you don't care much about risk, or are certain to hold on for several market cycles, you should pay as much attention to a fund's bear market performance as its bull market performance. This approach makes even more sense today, in a market where stocks are trading at an extraordinarily high 27 times earnings. Consider, for example, the Constellation Fund distributed by AIM Equity. Its 70.2% latest 12-month total return makes it tempting to investors who want to be on board a hot performer. But note that while this fund is rated A+ in up markets, it gets an F in down markets. Unless you think the market is going to rise in an unbroken straight line, keep that F rating in mind.

To be rated below, a fund must have $25 million in assets and two full market cycles of history. The last two up-and-down cycles go back to June 1983 for stock funds, April 1983 for balanced funds and July 1984 for foreign funds. The performance benchmark for stock funds is the S&P 500. For balanced funds the benchmark is a blended index of the S&P 500 and a Merrill Lynch bond index. For foreign funds it's a Morgan Stanley international index.

Fund	Performance in UP	DOWN —markets—	12-month total return
ABT Growth & Income Trust	C	D	29.5%
ABT Utility Income Fund	F	A+	17.8
Acorn Fund*	B	C	47.1
Adams Express*	C	B	31.8
Aegon USA Growth	D	A	36.7
Affiliated Fund	C	B	21.9
Aim Equity—Charter Fund	B	C	37.4
Aim Equity—Constellation Fund	A+	F	70.2
Aim Equity—Weingarten Fund	A+	D	46.8
Aim Summit Fund	B	D	43.6
Alliance Balanced Shares (B)	B	C	20.4
Alliance Fund	B	D	35.9
Alliance Global—Small Cap Fund	C	D	25.3
Alliance Growth & Income	C	B	26.4
Alliance International Fund (F)	B	C	7.7
Alliance Quasar Fund	A	D	34.2
Alliance Technology Fund	A+	F	54.2
Amcap Fund	C	B	36.5
American Balanced Fund (B)	B	B	24.5
American Capital Comstock Fund	C	A	31.2
American Capital Convertible Secs* (B)	C	B	22.9
American Capital Emerging Growth	B	A	59.2
American Capital Enterprise Fund	B	D	38.3
American Capital Equity Income (B)	B	B	26.6
American Capital Growth & Income	C	B	30.2
American Capital Harbor Fund (B)	B	D	23.0
American Capital Pace Fund	C	A	31.4
American Growth Fund	F	A	23.6
American Investors Growth Fund	D	F	29.9
American Leaders Fund	D	A	31.0
American Mutual Fund	D	A	21.3
American National Growth Fund	B	C	37.0

Fund	Performance in UP	DOWN —markets—	12-month total return
American National Income Fund	D	A	29.0%
AMEV Capital Fund	A	B	49.2
AMEV Fiduciary Fund	A	C	52.3
AMEV Growth Fund	A	C	66.8
Amway Mutual Fund	C	C	19.7
Analytic Optioned Equity Fund*	F	A	13.3
ASA Limited* (F)	C	D	–7.8
Axe-Houghton Fund B (B)	A	D	22.0
Axe-Houghton Growth Fund	A	F	39.3
Babson Growth Fund*	C	D	26.0
Baker, Fentress & Co*	D	B	25.1
Bancroft Convertible Fund* (B)	D	C	24.0
Bartlett Capital Trust—Basic Value*	D	A	26.0
Berger One Hundred Fund	A	D	100.6
Bergstrom Capital*	A	A	64.1
Wm Blair—Growth*	B	C	43.0
Boston Co Capital Appreciation Fund	C	C	22.8
Bull & Bear Capital Growth Fund	D	D	21.3
Bull & Bear Gold Investors Fund (B)	F	F	–1.1
Burnham Fund	D	A	17.9
Calvert Social Inv—Managed Growth (B)	C	D	17.7
Cardinal Fund	C	B	31.8
Castle Convertible Fund* (B)	D	A	30.1
Central Securities*	D	D	24.1
Century Shares Trust*	C	A	31.4
CGM Capital Development Fund*	A+	B	99.3
CGM Mutual Fund* (B)	A+	D	40.9
Cigna Growth Fund	B	C	35.9
Colonial Fund (B)	B	D	25.1
Colonial Growth Shares Trust	B	D	34.0
Colonial Strategic Inc—Diversified (B)	D	D	28.3
Columbia Growth Fund*	A	C	34.2

*Fund has no load or shareholder-paid 12b-1 plan. B: Balanced fund. F: Foreign fund. G: Global fund.

Fund	Performance in UP	DOWN —markets—	12-month total return
Commonwealth Investment—Balanced (B)	D	C	25.4%
Composite Bond & Stock Fund (B)	D	B	21.4
Composite Growth Fund	D	A	26.8
Copley Fund*	F	A	17.1
Country Capital Growth Fund	C	C	27.8
Dean Witter American Value Fund	B	C	55.5
Dean Witter Developing Growth Secs	D	D	48.2
Dean Witter Dividend Growth Secs	C	A	30.5
Dean Witter Natural Resource Devel	D	C	5.3
Dean Witter World Wide Investment (G)	C	C	18.8
Delaware Group Decatur Fund—I	D	A	21.8
Delaware Group Trend Fund	A+	C	74.5
Dodge & Cox Balanced Fund* (B)	B	C	20.6
Dodge & Cox Stock Fund*	B	B	21.2
Dreyfus Convertible Securities Fund* (B)	C	C	33.0
Dreyfus Fund*	D	B	27.7
Dreyfus Growth Opportunity Fund*	B	D	51.4
Dreyfus Leverage Fund	D	B	31.7
Dreyfus Third Century Fund*	C	C	37.8
Eaton Vance Growth Fund	B	B	39.0
Eaton Vance Investors Fund (B)	C	C	21.0
Eaton Vance Special Equities Fund	C	B	55.6
Eaton Vance Stock Fund	D	B	20.6
Eaton Vance Total Return Trust	D	A	22.9
Enterprise Group—Growth	A	B	41.8
Equity Strategies Fund*	C	C	12.4
EuroPacific Growth Fund (F)	C	C	18.5
Evergreen Fund*	B	C	39.3
Evergreen Limited Market Fund*	A	B	50.6
Evergreen Total Return Fund*	D	A	22.9
FBL—Growth Common Stock	F	C	14.4
Federated Stock & Bond Fund* (B)	D	A	17.2
Federated Stock Trust*	C	A	28.3
Fidelity Contrafund	A	D	54.3
Fidelity Destiny Portfolio I*	A	B	38.2
Fidelity Equity-Income Fund	D	A	29.3
Fidelity Fund*	C	B	23.6
Fidelity Growth Company	A	D	47.4
Fidelity Magellan Fund	A+	B	40.1
Fidelity Puritan Fund (B)	B	B	26.2
Fidelity Retirement Growth*	B	C	44.8
Fidelity Select—Energy	D	C	0.0
Fidelity Select—Financial Services	C	B	61.5
Fidelity Select—Health Care	A+	D	82.7
Fidelity Select—Prec Metals & Mins (F)	D	D	1.5

Fund	Performance in UP	DOWN —markets—	12-month total return
Fidelity Select—Technology	A	F	59.0%
Fidelity Select—Utilities	D	A	20.9
Fidelity Trend Fund*	B	D	35.7
Fidelity Value Fund*	C	C	25.9
Fiduciary Capital Growth Fund*	C	C	36.2
Financial Dynamics Fund	B	D	67.0
Financial Industrial Fund	B	D	42.1
Financial Industrial Income Fund	B	B	46.3
First Investors Global Fund (G)	A	D	16.8
Flex-funds—Growth Fund	F	A	20.7
Founders Blue Chip	B	C	28.0
Founders Growth Fund	A	C	47.0
Founders Special Fund*	A	D	63.1
FPA Capital Fund	B	C	63.6
FPA Paramount Fund	C	A	23.7
Franklin DynaTech Fund	B	D	35.3
Franklin Equity Fund	C	D	26.1
Franklin Gold Fund (F)	C	C	6.0
Franklin Growth Fund	B	B	26.3
Franklin Income Fund (B)	D	A	40.8
Franklin Premier Return Fund	D	B	22.2
Franklin Utilities Fund	D	A+	24.0
Fundamental Investors	B	B	31.1
Gateway Index Plus Fund*	D	A	17.8
General American Investors*	A	D	61.4
Gintel Erisa Fund	D	A	13.5
Growth Fund of America	B	B	35.1
GT Global Growth—Pacific (F)	B	B	12.9
Guardian Park Ave Fund	B	B	35.0
John Hancock Growth Fund	B	D	41.8
John Hancock Sovereign Investors	D	A	30.4
John Hancock Tech—Global Tech	D	D	33.5
John Hancock Tech—Natl Aviation & Tech	C	D	31.2
Hartwell Emerging Growth	A+	F	70.2
IAI Regional Fund	A	B	35.0
IAI Stock Fund	C	B	26.5
IDS Discovery Fund	A	D	52.8
IDS Equity Plus	B	C	31.6
IDS Growth Fund	A+	D	46.9
IDS Mutual (B)	C	B	23.4
IDS New Dimensions Fund	A	C	49.3
IDS Progressive Fund	D	B	25.1
IDS Stock Fund	C	B	27.1
Income Fund of America (B)	C	A+	23.7
Investment Co of America	B	B	27.2

*Fund has no load or shareholder-paid 12b-1 plan. B: Balanced fund. F: Foreign fund. G: Global fund.

STOCK AND BALANCED FUNDS

THE FUNDS

Fund	Performance in UP —markets—	DOWN	12-month total return
ITB—Growth Opportunities	C	D	30.6%
Investors Research Fund	A	D	42.1
Ivy Growth Fund*	C	A	30.5
Janus Fund*	B	A	42.1
Japan Fund* (F)	B	B	3.1
JP Growth Fund	C	B	32.0
Kemper Growth Fund	A	D	65.9
Kemper International Fund (F)	C	C	9.0
Kemper Summit Fund	A	D	67.5
Kemper Technology Fund	B	D	41.3
Kemper Total Return Fund (B)	A+	F	39.6
Keystone America Omega	A	D	51.5
Keystone Custodian K-1 (B)	C	C	23.9
Keystone Custodian K-2	B	D	39.3
Keystone Custodian S-1	C	C	28.7
Keystone Custodian S-3	B	D	41.6
Keystone Custodian S-4	A	F	70.8
Keystone International Fund (F)	C	B	14.4
Keystone Precious Metals (F)	D	D	8.2
Kleinwort Benson Intl Equity (F)	C	C	11.2
Legg Mason Value Trust	B	B	34.7
Lexington Corp Leaders Trust Fund*	B	B	22.0
Lexington Goldfund* (G)	D	D	-6.2
Lexington Growth & Income Fund*	C	C	24.8
Lexington Worldwide Emerging Mkts*	C	F	24.1
Lindner Fund*	D	A+	23.4
Lord Abbett Developing Growth	C	D	56.3
Lord Abbett Value Appreciation	B	C	27.1
Lutheran Brotherhood Fund	C	A	32.8
Mairs & Power Growth Fund*	B	C	41.8
Horace Mann Growth Fund*	B	C	26.2
Mass Capital Development Fund	B	C	22.0
Mass Financial Development Fund	B	D	32.3
Mass Financial Emerging Growth	A+	D	69.2
Mass Financial Special Fund	B	D	25.6
Mass Financial Total Return Trust (B)	A	C	21.5
Mass Investors Growth Stock Fund	B	C	47.3
Mass Investors Trust	B	C	27.4
Mathers Fund*	D	C	9.4
Merrill Lynch Basic Value Fund	C	B	26.9
Merrill Lynch Capital Fund	C	A	24.8
Merrill Lynch Intl Holdings (G)	C	A	16.9
Merrill Lynch Pacific Fund (F)	A	C	16.8
Merrill Lynch Phoenix Fund (B)	B	C	36.6
Merrill Lynch Special Value	D	D	54.8

Fund	Performance in UP —markets—	DOWN	12-month total return
Mexico Fund* (F)	A	A+	72.5%
MSB Fund*	D	C	16.5
Mutual Benefit Fund	A	B	27.7
Mutual of Omaha Growth Fund	A	C	62.4
Mutual of Omaha Income Fund (B)	F	A	18.5
Mutual Series Fund—Beacon*	D	C	17.4
Mutual Series Fund—Mutual Shares*	D	A+	20.8
Mutual Series Fund—Qualified*	D	A+	21.0
National Industries Fund*	D	C	32.0
National Stock Fund	D	B	22.9
National Total Income Fund (B)	C	A	23.3
National Total Return Fund (B)	A	C	28.6
Nationwide Fund	B	B	30.2
Nationwide Growth Fund	B	B	36.0
N & B Guardian Fund*	B	C	34.3
N & B Manhattan Fund*	A	C	30.9
N & B Partners Fund*	D	A	22.4
N & B Selected Sectors Plus Energy*	D	C	24.7
Neuwirth Fund	A	F	50.3
New England Balanced Fund	D	A	29.2
New England Growth Fund	A	B	56.7
New England Retirement Equity	D	A	27.1
New Perspective Fund (G)	D	B	22.4
New York Venture Fund	A	C	39.3
Newton Growth Fund	B	D	25.6
Niagara Share Corp*	D	D	19.3
Nicholas Fund*	B	A	41.8
Northeast Investors Growth*	B	C	36.6
Oppenheimer Equity Income Fund	C	B	17.2
Oppenheimer Fund	C	F	28.5
Oppenheimer Global Fund (G)	B	C	27.2
Oppenheimer Gold & Special Mins (F)	C	C	0.2
Oppenheimer Special Fund	D	C	43.8
Oppenheimer Target Fund	C	D	38.4
Oppenheimer Time Fund	A	D	38.5
Oppenheimer Total Return Fund	B	C	35.4
Over-the-Counter Securities Fund	D	B	38.6
PaineWebber Atlas Global Growth (G)	A	B	10.4
Pax World Fund (B)	B	C	20.4
Penn Square Mutual Fund	C	B	27.1
Pennsylvania Mutual Fund	C	B	31.8
Permanent Portfolios—Permanent (B)	D	C	7.9
Petroleum & Resources Corp*	D	D	6.6
Philadelphia Fund	F	C	5.7
Phoenix Balanced Fund (B)	B	C	25.4

*Fund has no load or shareholder-paid 12b-1 plan. B: Balanced fund. F: Foreign fund. G: Global fund.

Fund	Performance in UP —markets—	DOWN	12-month total return
Phoenix Convertible Fund (B)	C	B	12.5%
Phoenix Growth Fund	B	A	26.9
Phoenix Stock Fund	C	B	28.3
Phoenix Total Return	D	A	28.7
Pilgrim MagnaCap Fund	C	C	24.8
Pine Street Fund*	C	C	23.7
Pioneer Fund	C	C	22.0
Pioneer II	C	C	25.4
Pioneer Three	C	B	36.3
T Rowe Price Growth & Income*	C	B	31.4
T Rowe Price Growth Stock Fund*	C	D	33.4
T Rowe Price Intl Stock* (F)	B	B	15.6
T Rowe Price New Era Fund*	D	D	14.4
T Rowe Price New Horizons Fund*	B	D	51.9
Princor Capital Accumulation Fund	D	A	37.2
Princor Growth Fund	A	D	56.2
ProvidentMutual Growth Fund	B	B	49.9
ProvidentMutual Investment Shares	D	B	15.4
ProvidentMutual Total Return Trust (B)	D	B	18.3
Prudential Equity Fund	C	B	24.0
Prudential Global Fund (G)	B	C	13.3%
Prudential Growth Fund	C	C	24.1
Prudential Growth Opportunity	B	D	39.4
Prudential Total Return	C	B	11.0
Prudential Utility Fund	D	A	19.9
Putnam Convertible Income-Growth (B)	C	D	29.3
Putnam Energy-Resources Trust	D	F	7.2
Putnam Fund for Growth & Income	C	B	18.9
George Putnam Fund of Boston (B)	A	D	22.9
Putnam Global Growth Fund (G)	B	C	18.0
Putnam Health Sciences Trust	A	D	47.9
Putnam Investors Fund	B	D	27.4
Putnam OTC Emerging Growth Fund	A	C	40.7
Putnam Strategic Income Trust	D	B	24.5
Putnam Vista Fund	A	B	36.5
Putnam Voyager Fund	A+	D	49.6
Quest for Value Fund	C	A+	32.2
Rea-Graham Balanced Fund (B)	C	C	14.5
Royce Fund—Value	D	B	30.7
Safeco Equity Fund*	B	C	27.9

*Fund has no load or shareholder-paid 12b-1 plan. B: Balanced fund. F: Foreign fund. G: Global fund.

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STOCK AND BALANCED FUNDS

THE FUNDS

Fund	Performance in UP	DOWN —markets—	12-month total return
Safeco Growth Fund*	B	C	62.6%
Safeco Income Fund*	D	A	23.3
Salomon Brothers Capital Fund	B	B	33.0
Salomon Brothers Fund*	C	B	30.8
Salomon Brothers Investors Fund	C	B	28.6
Salomon Brothers Opportunity Fund*	C	B	30.3
Sci/Tech Holdings	C	B	44.1
Scudder Capital Growth Fund*	A	C	42.2
Scudder Development Fund*	A	D	71.9
Scudder Growth & Income Fund*	C	C	28.1
Scudder International Fund* (F)	C	B	11.8
Security Action Fund	C	C	33.5
Security Equity Fund	A	D	34.6
Security Investment Fund	D	C	21.8
Security Ultra Fund	C	F	58.6
Selected American Shares	C	A	46.3
Selected Special Shares	B	D	24.7
Seligman Capital Fund	A+	D	53.7
Seligman Common Stock Fund	B	B	29.7
Seligman Growth Fund	B	D	38.2
Seligman Income Fund (B)	D	A	30.1
Sentinel Balanced Fund (B)	B	B	23.2
Sentinel Common Stock Fund	C	A	30.5
Sentinel Growth Fund	A	D	25.9
Sentry Fund*	B	D	28.6
Sequoia Fund*	D	A+	39.3
Shearson Appreciation Fund	B	B	26.9
Shearson Fundamental Value Fund	D	B	31.4
Shearson Global Opportunities (G)	C	C	12.6
Shearson Invest—Appreciation	D	B	23.5
Shearson Invest—Special Equities	D	D	45.1
Sit New Beginning Growth Fund*	A	C	65.5
Smith Barney Equity Fund	C	C	26.5
Smith Barney—Income & Growth	D	A	26.5
SoGen International Fund	D	A+	17.7
Source Capital*	D	A+	22.6
State Bond Common Stock Fund	B	D	33.2
State Bond Diversified Fund	C	B	31.2
State Street Investment Trust	B	C	28.1
SteinRoe Capital Opportunities*	B	F	62.7
SteinRoe Special Fund*	A	C	33.7
SteinRoe Stock Fund*	A	D	45.6
SteinRoe Total Return Fund* (B)	C	D	29.4
Strategic Investments Fund (F)	D	F	-18.9
Stratton Monthly Dividend Shares*	D	A+	34.8
Strong Investment Fund (B)	D	A	19.6%
Strong Total Return Fund (B)	C	B	33.6
Templeton Foreign Fund (F)	B	A	18.1
Templeton Growth Fund (G)	C	A	30.9
Templeton Smaller Companies Growth (G)	C	B	39.2
Templeton World Fund (G)	C	C	29.3
Transamerica Capital Appreciation	C	C	36.6
Transamerica Growth & Income (B)	C	B	32.1
Tri-Continental Corp*	B	C	28.6
20th Century Growth Investors*	A+	D	69.0
20th Century Select Investors*	A	C	31.4
20th Century Ultra Investors*	A+	F	86.5
UMB Stock Fund*	C	B	24.7
United Accumulative Fund	C	B	23.5
United Continental Income Fund (B)	A	D	25.9
United Income Fund	B	A	29.4
United International Growth (F)	C	A	19.0
United New Concepts Fund	B	C	88.2
United Retirement Shares (B)	B	C	21.7
United Science & Energy Fund	B	C	58.6
United Services—Global Resources* (G)	D	D	5.0
United Services—Gold Shares* (F)	D	D	-15.6
US Trend Fund	B	C	35.0
United Vanguard Fund	C	B	27.1
USAA Mutual—Aggressive Growth*	A	D	71.7
USAA Mutual—Growth Fund*	C	D	27.8
Value Line Fund*	B	C	48.2
Value Line Income Fund*	D	A	28.4
Value Line Leveraged Growth Inv*	B	B	44.0
Value Line Special Situations Fund*	D	D	36.1
Van Eck International Investors (F)	C	D	2.6
Vanguard Explorer Fund*	C	D	55.9
Vanguard Index—500 Portfolio*	B	C	30.1
Vanguard/Morgan Growth Fund*	B	C	28.4
Vanguard Small Cap Stock*	C	D	44.9
Vanguard Special—Gold & Prec (F)	D	C	4.3
Vanguard Trustees Commingled—Intl* (F)	A	A	9.8
Vanguard Trustees Commingled—US*	C	B	26.5
Vanguard Wellesley Income Fund* (B)	C	A+	21.4
Vanguard Wellington Fund* (B)	A	C	23.3
Vanguard Windsor Fund*	C	A	27.7
Washington Mutual Investors	B	A	23.3
Winthrop Focus Funds—Growth	D	D	28.0
WPG Growth & Income Fund*	C	C	40.7
WPG Tudor Fund*	A	C	51.0

*Fund has no load or shareholder-paid 12b-1 plan. B: Balanced fund. F: Foreign fund. G: Global fund.

Municipal bond funds

Single-state tax-exempt funds are rated here if they have five years of history and at least $100 million in assets. All other tax-exempt funds need at least five years of history and a minimum of $500 million to be listed. Each of the 60 months from January 1987 through December 1991 is taken as a bull or bear month, according to the performance of the Shearson Lehman municipal bond index. Composite bull- and bear-market performance is calculated for each fund and then translated into a letter grade, assigned on a curve.

Fund	Performance in UP —markets—	DOWN	12-month total return
AARP Insured T-F Inc—Genl Bond*	A	D	12.3%
Alliance Muni Income—Calif	C	A	11.0
Alliance Muni Income—New York	C	C	12.3
Benham Calif Tax-Free—Intermediate*	D	A	10.4
Benham Calif Tax-Free—Long-Term*	B	D	11.8
California Tax-Exempt Bonds	C	B	11.1
California Tax-Free Income Fund*	D	A	12.2
Colonial California Tax-Exempt	D	B	11.2
Colonial Tax-Exempt Fund	D	A	11.7
Dean Witter Calif Tax-Free Income	B	D	10.1
Dean Witter NY Tax-Free Income	B	D	12.7
Dean Witter Tax-Exempt Securities	A	D	12.6
Delaware Group Tax-Free—USA	C	C	12.4
DMC Tax-Free Income Trust—Pa	C	C	12.8
Dreyfus California Tax-Exempt Bond*	D	B	10.4
Dreyfus Intermediate Muni Bond*	D	A	11.1
Dreyfus Massachusetts Tax-Ex Bond*	D	B	12.7
Dreyfus NY Tax-Exempt Bond Fund*	D	B	11.7
Dreyfus Tax-Exempt Bond Fund*	D	B	11.9
Eaton Vance California Municipals	C	D	9.4
Eaton Vance National Municipals	D	C	12.1
Federated Tax-Free Income Fund	B	B	12.5
Fidelity Calif Tax-Free Insured*	C	D	10.9
Fidelity Calif Tax-Free High Yield*	C	C	10.2
Fidelity Mass Tax-Free High Yield*	D	B	11.3
Fidelity Michigan Tax-Free High Yield*	B	C	12.1
Fidelity NY Tax-Free High Yield*	C	B	13.4
Fidelity NY Tax-Free Insured*	C	C	12.5
Fidelity Ohio Tax-Free High Yield*	B	D	11.4
Fidelity Tax-Free—Aggressive*	D	A	11.8
Fidelity Tax-Free—High Yield*	C	B	8.8
Fidelity Tax-Free—Ltd Term Munis*	D	A	11.2
Fidelity Tax-Free—Municipal Bond*	B	C	11.9
First Investors Insured Tax-Exempt	D	A	10.3
First Investors NY Insured Tax-Free	C	B	11.5
Flagship Tax-Ex—Michigan Triple	A	D	11.6
Flagship Tax-Ex—NC Triple	A	F	11.7
Flagship Tax-Ex—Ohio Double	A	D	11.8
Franklin Calif Insured Tax-Free Income	B	D	10.8
Franklin Calif Tax-Free Income	D	A	10.9
Franklin Federal Tax-Free Income	B	C	13.2%
Franklin High Yield Tax-Free Income	D	A	12.4
Franklin Insured Tax-Free Income	B	D	11.3
Franklin Mass Insured Tax-Free Income	C	D	11.4
Franklin Mich Insured Tax-Free Income	B	C	10.9
Franklin Minn Insured Tax-Free Income	C	C	10.8
Franklin NY Tax-Free Income	D	B	13.5
Franklin Ohio Insured Tax-Free Income	B	C	10.9
Franklin Penn Tax-Free Income	B	D	13.4
Franklin PR Tax-Free Income Fund	C	B	12.2
General NY Municipal Bond	D	A	14.1
Hawaiian Tax-Free Trust	D	A	10.5
IDS California Tax-Exempt Fund	C	C	11.1
IDS High Yield Tax-Exempt Fund	C	B	12.0
IDS Minnesota Tax-Exempt Fund	C	C	10.6
IDS Tax-Exempt Bond Fund	A	D	10.1
Kemper California Tax-Free Income	B	B	11.4
Kemper Municipal Bond Fund	A	C	12.7
Kemper New York Tax-Free Fund	C	C	13.4
Keystone Tax-Exempt Trust	B	D	10.9
Keystone Tax-Free Fund	C	B	10.8
Lord Abbett Calif Tax-Free Income	B	C	13.2
Lord Abbett Tax-Free Income—New York	C	B	13.5
Merrill Lynch Calif Muni Bond	C	C	10.3
Merrill Lynch Muni—High Yield	C	C	11.5
Merrill Lynch Muni—Insured*	B	C	11.2
Merrill Lynch NY Muni Bond	B	C	13.4
MFS Managed High Yield Muni Bond	D	A	10.4
MFS Managed M-S Tax-Ex—Md	C	C	10.0
MFS Managed M-S Tax-Ex—Mass	C	B	11.7
MFS Managed M-S Tax-Ex—NC	C	B	10.4
MFS Managed M-S Tax-Ex—Va	C	B	10.4
MFS Managed Municipal Bond	A	C	12.7
New York Muni Fund	B	F	15.7
Nuveen Calif Tax-Free—Spec Bond	B	C	11.1
Nuveen Insured Tax-Free Bond—NY	B	C	13.4
Nuveen Municipal Bond Fund	C	B	11.4
Oppenheimer New York Tax-Exempt	D	A	11.6
Pacific Horizon—Calif Tax-Ex Bond	D	B	10.3
PaineWebber California Tax-Free Income	C	B	11.0

*Fund has no load or shareholder-paid 12b-1 plan.

Fund	Performance in UP	DOWN —markets—	12-month total return
Premier California Municipal Bond	B	C	11.0%
T Rowe Price Tax-Free High Yield*	D	A	11.7
T Rowe Price Tax-Free Income Fund*	C	D	12.2
Prudential Calif Municipal	C	D	11.3
Prudential Muni—New York	C	D	13.5
Prudential National Municipals	B	D	12.9
Putnam Calif Tax-Exempt Income	B	B	11.4
Putnam New York Tax-Exempt Income	A	C	14.2
Putnam Ohio Tax-Exempt Income	C	C	9.9
Putnam Tax-Exempt Income Fund	A	D	12.7
Putnam Tax-Free Income—High Yield	D	A	11.6
Scudder California Tax-Free Fund*	A	C	12.7
Scudder Managed Municipal Bonds*	A	D	12.2
Scudder NY Tax-Free Fund*	B	C	14.4
Seligman Tax-Exempt—Mass	A	D	13.0
Seligman Tax-Exempt—Michigan	A	D	12.0
Seligman Tax-Exempt—Minnesota	B	D	7.5
Seligman Tax-Exempt—Ohio	A	D	11.7
Shearson California Municipals	C	B	11.5
Shearson Income—Tax-Exempt Income	C	B	11.3
Shearson Managed Municipals	B	C	14.2

Fund	Performance in UP	DOWN —markets—	12-month total return
Shearson New York Municipals	D	B	13.0%
Spartan Pennsylvania Muni High Yield*	A	D	12.5
SteinRoe Managed Municipals*	B	B	11.6
Tax-Exempt Bond Fund of America	C	C	10.8
Tax-Exempt Fund of California	B	D	9.9
Tax-Free Trust of Arizona	C	B	11.7
Tax-Free Trust of Oregon	C	B	11.0
United Municipal Bond Fund	A+	F	13.4
USAA Tax-Exempt—High Yield*	A	C	12.4
USAA Tax-Exempt—Intermediate*	D	A	11.1
Van Kampen Merritt Insured T-F	C	C	10.5
Vanguard California T-F—Insured L-T*	A	F	10.8
Vanguard Muni Bond—High Yield*	A+	D	14.7
Vanguard Muni Bond—Insured L-T*	A	D	13.2
Vanguard Muni Bond—Intermediate*	C	B	12.2
Vanguard Muni Bond—Long-Term*	A+	F	13.5
Vanguard Muni Bond—Short-Term*	F	A+	7.3
Vanguard New York Insured T-F*	A	D	12.6
Vanguard Penn Tax-Free—Insured L-T*	A+	D	11.9
Voyageur Minnesota Tax-Free Fund	D	A	11.1

*Fund has no load or shareholder-paid 12b-1 plan.

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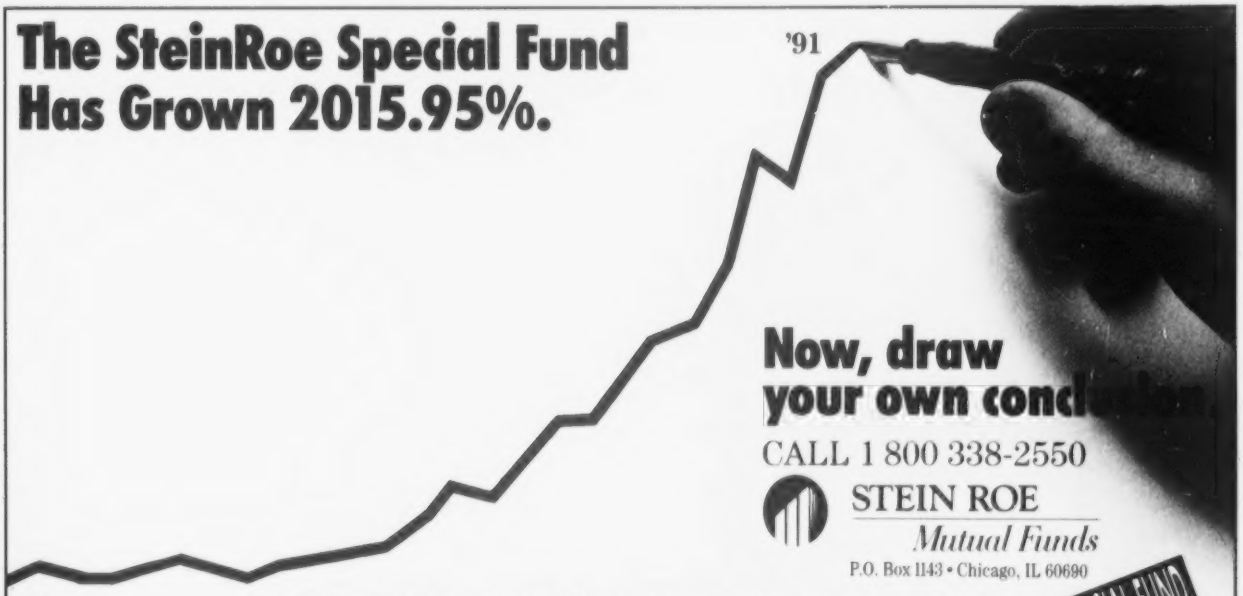

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Thus, as we do for stock funds, we rate fixed-income funds separately in bull and bear markets. Like equity fund managers, bond fund managers are rarely able to shine in both up and down markets. Portfolios with the shortest maturities tend to get a D or F in bull markets (when interest rates fall) and an A or B in bear markets (when rates rise). The reverse is true for long-maturity portfolios.

To be rated below, a high-grade bond fund must have $100 million or more in assets and at least five years of history. Junk bond funds are scored by a separate system; a minimum of two full market cycles is required. This comes to not quite four years of history.

Fund	Performance in UP —markets—	DOWN	12-month total return
AARP Income—GNMA & US Treas*	D	B	14.4%
AARP Income—High Quality Bond*	C	C	15.4
Advantage Government Securities	D	C	14.7
Alliance Bond—High Yield (J)	C	D	33.0
Alliance Bond—US Government	C	B	15.7
Alliance Mortgage Securities Income	C	B	15.4
American Capital Bond Fund *	C	D	15.8
American Capital Corp Bond Fund	D	A	16.7
American Capital Government Secs	A	D	16.2
American Capital High Yield Inv (J)	B	D	41.3
AMEV Securities*	D	A	22.7
AMEV US Govt Securities Fund	C	B	13.9
Babson Bond—Portfolio L*	C	C	15.1
Bartlett Capital Trust—Fixed Income*	D	B	14.3
Benham GNMA Income*	B	C	15.6
Benham Target Maturities—2005*	A+	F	21.5
Benham Target Maturities—2015*	A+	F	22.5
Benham Treasury Note Fund*	C	C	13.7
Bond Fund of America	C	B	21.0
Cardinal Government Obligations	D	A	13.3
Cigna High Yield Fund (J)	B	A	42.4
Cigna Income Fund	A	D	17.9
Colonial Government Securities Plus	A	D	14.7
Colonial High Yield Securities Trust (J)	B	B	43.9
Colonial Income Trust	D	B	19.0
Columbia Fixed Income Securities*	B	C	16.1
Composite US Govt Securities	C	B	14.7
Dean Witter High Yield Secs (J)	B	F	66.8
Dean Witter US Govt Securities	D	A	11.2
Delaware Group Delchester H-Y—I (J)	A	B	43.9
Delaware Group Govt—Govt Inc II	C	B	15.2
Dreyfus A Bonds Plus*	A+	D	18.6
Dreyfus GNMA Fund	C	B	14.4
Eaton Vance Government Obligations	D	A	14.3
Eaton Vance High Income Trust (J)	D	B	38.2

Fund	Performance in UP —markets—	DOWN	12-month total return
Federated GNMA Trust*	A	C	15.4%
Federated High Yield Trust* (J)	A	C	52.5
Federated Income Trust*	D	A	13.9
Federated Intermediate Government*	D	A	13.4
Federated Short-Intermed Govt*	F	A+	10.4
Fidelity Capital & Income Fund (J)	D	B	29.8
Fidelity Flexible Bond Port*	B	C	18.9
Fidelity Ginnie Mae*	C	B	13.5
Fidelity Government Securities Fund*	C	B	16.0
Fidelity Intermediate Bond Fund*	D	B	14.5
Fidelity Mortgage Securities*	C	B	13.6
Fidelity Short-Term Bond Port*	F	A+	13.7
First Investors Fund for Income (J)	C	D	44.3
First Investors Government Fund	A	D	16.7
First Investors High Yield Fund (J)	D	D	35.2
First Trust Fund—US Government	B	B	15.4
Fort Dearborn Income Securities*	A	D	18.3
Franklin AGE High Income Fund (J)	A	D	47.6
Franklin US Government Securities	D	A	13.6
Freedom Inv—Government Income	A	D	14.4
Fund for US Govt Securities	D	A	13.4
Government Income Securities	D	A	13.1
John Hancock Bond Fund	C	B	16.5
John Hancock Government Spectrum	B	C	16.5
John Hancock Income Securities*	B	C	17.1
John Hancock Investors Trust*	B	C	17.9
John Hancock US Govt Securities	D	B	12.5
Home Investors Government Income	B	C	14.3
IAI Bond Fund	A	D	17.3
IDS Bond Fund	B	D	20.7
IDS Extra Income Fund (J)	C	C	38.1
IDS Federal Income Fund	D	A	11.0
IDS Selective Fund	B	D	17.0
IDS Strategy—Income	B	D	16.6
InterCapital Income Securities*	D	B	19.8

*Fund has no load or shareholder-paid 12b-1 plan. J: Junk bond fund.

Fund	Performance in UP —markets—	DOWN	12-month total return
Kemper Diversified Income Fund (J)	A	C	51.3%
Kemper High Yield Fund (J)	A	B	46.5
Kemper Inc & Cap Preservation	C	B	17.9
Kemper Invest—Diversified Income	D	A	50.5
Kemper Invest—Government	B	D	17.0
Kemper Invest—High Yield (J)	B	C	45.6
Kemper US Government Securities	B	C	17.2
Keystone Custodian B-1	C	D	14.8
Keystone Custodian B-2	D	C	18.5
Keystone Custodian B-4 (J)	C	D	41.1
Lexington GNMA Income Fund*	A	D	15.0
Liberty High Income Bond Fund (J)	A	C	59.8
Lord Abbett Bond-Debenture Fund (J)	C	A	38.1
Lord Abbett US Government Secs	A	D	16.6
Lutheran Brotherhood Income Fund	B	C	17.2
MainStay—Government Plus	C	C	13.3
MainStay—High Yield Corp Bond (J)	D	B	31.9
Mass Financial Bond Fund	B	C	18.0
Mass Financial High Income—Series I (J)	B	C	48.4
MassMutual Corporate Investors*	F	A+	18.3
Merrill Lynch Corp—High Income (J)	B	A	39.8
Merrill Lynch Corp—High Quality	B	C	17.1
Merrill Lynch Federal Securities	C	B	13.6
MetLife-State Street High Income (J)	C	C	36.3
MFS Government Income Plus	B	D	13.2
MFS Government Securities	D	C	14.1
MFS Lifetime Government Income +	C	D	11.7
MFS Lifetime High Income Trust (J)	A	D	49.5
Montgomery Street Income Secs*	C	A	22.0
National Bond Fund (J)	C	D	50.9
National Federal Securities Trust	A	F	19.9
N & B Limited Maturity Bond*	D	A+	11.8
New England Government Securities	A	F	14.8
Northeast Investors Trust*	F	A	26.3
Oppenheimer High Yield Fund (J)	F	A	28.5
Oppenheimer US Government Trust	D	B	14.6
Pacific American Income Shares*	C	B	20.3
PaineWebber Fixed Income—High Inc (J)	B	C	45.4
PaineWebber Fixed Income—Inv Gr	B	D	18.0
PaineWebber Fixed Income—US Govt	B	D	14.6
PaineWebber Income Fund	B	D	23.0
Pilgrim GNMA Fund	D	B	11.8
Pilgrim S-T Multi-Market Income	F	C	1.4
T Rowe Price GNMA Fund*	C	B	15.0
T Rowe Price High Yield Fund* (J)	D	B	30.9
T Rowe Price New Income Fund*	C	B	15.5

Fund	Performance in UP —markets—	DOWN	12-month total return
T Rowe Price Short-Term Bond Fund*	D	A+	11.2%
Prudential GNMA Fund	C	C	12.7
Prudential Government Plus	B	D	15.2
Prudential Govt Secs—Intermed	D	B	13.0
Prudential High Yield Fund (J)	C	C	34.5
Prudential US Government	A	D	15.5
Putnam Federal Income Trust	B	D	15.2
Putnam High Income Government	B	D	9.1
Putnam High Yield Trust (J)	C	A	38.9
Putnam High Yield Trust II (J)	B	B	45.4
Putnam Income Fund	B	C	18.3
Putnam US Govt Income Trust	D	A	11.8
Scudder GNMA Fund*	C	B	15.0
Scudder Income Fund*	B	C	17.3
Scudder Short Term Bond Fund*	C	C	14.4
Shearson High Yield Fund (J)	D	B	33.3
Shearson Income—High Income (J)	D	C	34.7
Shearson Income—Mortgage	C	C	17.0
Shearson Invest—Govt Securities	B	D	16.2
Shearson Invest—Invest Grade Bond	A+	F	22.8
Shearson Managed Governments	C	B	16.2
Smith Barney—US Government	A	D	16.2
SteinRoe Intermediate Bond Fund*	C	C	14.8
SunAmerica Equity—US Government Secs	F	A+	9.9
Thomson Fund—Income	D	A	11.8
Thomson Fund—US Government	C	C	16.7
Transamerica Govt Securities	B	D	16.5
Transamerica Income Shares*	A	C	18.3
20th Century US Governments*	D	A	11.6
United Bond Fund	B	C	18.7
United Government Securities	B	D	17.0
United High Income Fund (J)	C	D	37.2
United High Income Fund II (J)	D	A	31.3
US Government Securities	D	B	14.1
USAA Mutual—Income Fund*	A	C	19.2
Value Line US Government Secs*	C	B	16.3
Van Kampen Merritt High Yield (J)	C	C	35.1
Van Kampen Merritt US Government	A	D	15.8
Vanguard Bond Market Fund*	B	C	15.3
Vanguard Fixed Income—GNMA*	A	C	16.8
Vanguard Fixed Income—High Yield* (J)	D	A	29.2
Vanguard Fixed Income—Invest Grade*	A+	D	20.9
Vanguard Fixed Income—Short-Term*	D	A	13.2
Vanguard Fixed Income—US Treasury*	A+	F	17.4
WPG Government Securities Fund*	B	B	16.6

*Fund has no load or shareholder-paid 12b-1 plan. J: Junk bond fund.

THE FORBES/BARRA WALL STREET REVIEW

BY GILBERT STEEDLEY

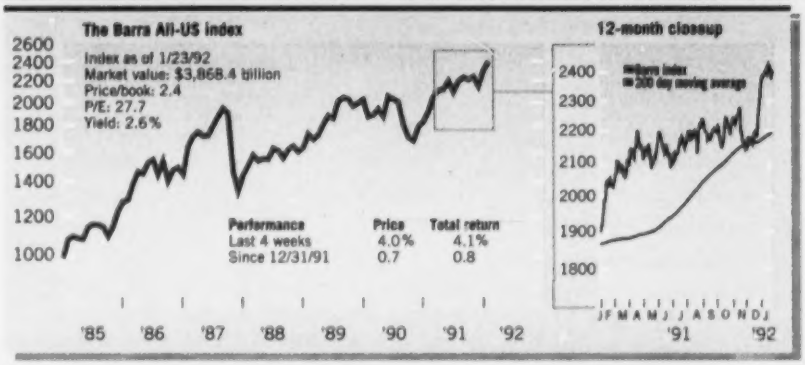
The air is getting pretty thin up where the stock market is flying. The Barra All-US index is now selling at 27 times trailing 12-month earnings. Earnings are supposed to be on the way up. But does anybody think they're likely to double or triple anytime soon? Yet that's what must happen if the market is to sell at reasonable levels by historical standards.

Jonathan Braatz, a senior vice president of Kansas City, Mo.-based Fahnestock & Co., cautions against rating the entire market as overpriced. "There are a number of stocks that are exaggerating the P/E in the overall market," he says, citing Microsoft, Home Depot and Wal-Mart. Braatz says investors should be buying smaller, slower-growing companies. Two he likes are AG Services of America, a provider of agricultural supplies, trading at 8 times earnings, and Big B, a discount drugstore chain, trading at 16 times earnings.

Another way to play this market is to look for turnaround situations. Citicorp, the largest U.S. bank, reported a loss of $457 million for 1991. Ray of hope: In the fourth quarter it lost only $133 million, against $382 million in the fourth quarter of 1990. Recently at 15, Citicorp shares are up 74% from their 52-week low. But Morton L. Brown, a general principal of St. Louis-based Edward D. Jones & Co., thinks the stock will continue to rise. Brown believes that Citicorp's cost-cutting will pay off this year and says: "Its strong position in international banking as well as the U.S. consumer market should lead to positive earnings in 1992."

After hitting record highs in mid-January, Wall Street backed off and attempted to digest some of its gains. The Barra All-US index finished the two weeks ended Jan. 24 with a 0.4% loss. But some stocks kept climbing. Value Line, Inc., which publishes stock market investment information, saw its shares rise 47% in the last two weeks. At a recent 39, they are trading at triple their price of a year ago.

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-0.4%	28.9%	-1.9%
Sharpe/Barra Growth index[1]	-2.4	32.7	-3.4
Sharpe/Barra Value index[2]	1.4	22.4	-1.9
Dow Jones industrials	0.5	21.3	-1.2
S&P 500	-0.6	24.0	-1.4
NYSE	-0.6	25.3	-1.3
Nasdaq	0.5	59.2	-1.3
Amex	1.6	35.1	-0.3
EAFE[3]	-2.1	9.0	-19.4
CRB index[4,5]	1.2	-1.6	-22.5
Gold[5]	-0.6	-4.7	-29.4
Yen[5]	-1.5	-6.3	-24.5
Oil[5]	4.8	-26.1	-54.6

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Value Line	38 1/4	47%	$ 2.75	Employee Benefit Plans	27 3/8	-55%	$2.07
Citicorp	14 3/4	41	1.05	Research Inds	18 1/4	-32	0.40
Network General	22 3/4	40	0.88	Data General	12	-29	1.97
Informix	25	40	0.94	Dissonics	19 1/8	-26	1.98
Viratek	22	40	NA	Corning	61 1/4	-22	3.75

The best and worst performing industry factors[8]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Tire & rubber	7.7%	6.3%	Pharmaceuticals	-6.4%	-4.0%
Oil services	7.0	-6.0	Beverages	-6.1	-3.1
Forest products	6.9	15.1	Electric utilities	-4.3	-4.8
Consumer durables	6.4	7.4	Health Care	-4.2	-4.2
Electronics	5.6	8.3	Tobacco	-3.9	0.2

Note: Data for period ending 1/23/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

FORBES/TUCS INSTITUTIONAL PORTFOLIO

BY STEVE KICHEN

Who made the most money?

Investment	Value of $10,000 invested 12/31/81[1]	Change last quarter
S&P 500	$50,289	8.4%
Wilshire Index	45,587	8.7
Institutional equity account[2]	41,655	7.8
Institutional balanced account[2]	38,456	6.5
Lehman Government & Corporate	36,092	5.3
Institutional fixed income account[2]	34,036	5.3
Treasury index	21,312	1.5

Segment performance and cash flow

Segment	Most recent quarter: median total return	Most recent quarter: shift in institutional holdings
Equity	8.3%	-0.1%
Fixed income	5.4	-0.3
Cash equivalents	1.3	-4.8
Convertibles	4.6	1.0
Other[3]	1.4	0.0*
Total	7.6	-0.5

If you missed the 1991 rally in small growth stocks, you have some distinguished company. Professional money managers last year averaged a 31.6% total return (price change plus reinvested dividends) on their equity portfolios. Good as it was, that return falls short of the 34.2% delivered by the Wilshire index, a yardstick that measures the performance of 6,000 stocks, most of them stocks of small companies.

The pros did manage to beat the yardstick for large companies, Standard & Poor's 500-stock index. That index showed a 1991 total return of 30.5%. But the institutions didn't come anywhere close to matching the Nasdaq index of over-the-counter companies, most of them small. The Nasdaq was up 59.4% last year, dividends included.

Smaller growth stocks, despite their recent rally, have not kept pace with large-capitalization shares over the past ten years. A hypothetical $10,000 investment in growth stocks (as defined by Santa Monica, Calif.-based Wilshire Associates) would be worth $30,300 today. The same investment made in the S&P 500 would have grown to $50,300. Institutional managers evidently put too much faith in growth and not enough in size. The median institutional equity account would have turned $10,000 into $41,700 in ten years.

Our tables of institutional investing behavior come from Wilshire's survey of 5,000 pension portfolios, which it calls the Trust Universe Comparison Service.

What the institutions bought and sold

Big stocks[4]

Stock bought	Total quarter return	P/E	Stock sold	Total quarter return	P/E
Amoco	30.4%	43	Aflac[5]	11.5%	17
Avon Products	4.3	16	Bowater Ltd	7.6	NM
Dexter	9.7	NM	Cox Occidental Petroleum	10.5	NM
Chambers Development	16.7	44	Citizens Utilities	20.3	17
CUC International	8.8	39	Cominco	3.4	NM
Duracell International	26.0	45	Hillenbrand Industries	38.6	29
KLM Royal Dutch Airlines	43.5	NM	LAC Minerals Ltd	6.3	NM
Office Depot	48.5	NM	LG&E Energy	9.8	12
RJR Nabisco Hldgs	-6.5	47	McDonnell Douglas	13.9	13
Safeway	-4.7	14	NationsBank[6]	15.2	11
20th Century Industries	4.2	9	TransCanada Pipeline	6.5	13
US Bioscience	102.6	NM	Westcoast Energy	4.8	15

Secondary stocks[7]

Stock bought	Total quarter return	P/E	Stock sold	Total quarter return	P/E
Calgene	58.4%	NM	Amdura	137.5%	NA
Computone	69.7	NM	American Biogen	25.9	29
B-III Apparel Group	-10.0	27	Bio-Technology General	23.2	NM
Bolivar Industries	52.9	30	Carolco Pictures	-68.1	NM
Outlook Graphics	42.6	18	Comprehensive Care	-11.1	NM
Peoples Telephone	56.0	34	Digital Systems Intl	34.2	16
Society For Savings Bancorp	-7.4	NM	Duskocil Cos	-48.4	NM
Suburban Bancorp	-15.2	14	IDEC Pharmaceuticals	-30.7	NM
Sulcus Computer	128.0	NM	In Focus Systems	-25.0	10
Timberland	10.6	16	K Swiss	-21.3	12
Universal International	-28.2	27	Raymond	-7.7	NM
Western Bank	13.5	10	Ziegler	67.2	15

[1]Total return. [2]Includes cash. [3]Real estate, foreign investments, venture capital, guaranteed income contracts. [4]Stocks with $1 billion or more in market capitalization at start of quarter. [5]Formerly American Family. [6]Formerly NCNB. [7]Stocks with market capitalization between $40 million and $200 million at start of quarter. *Less than 0.05 percent. NA: Not available. NM: Not meaningful. Note: What the institutions bought and sold measures the change in the institutional holdings as a percentage of a stock's total capitalization, net of price changes. Data for quarter ending 12/31/91. Prepared by the Trust Universe Comparison Service (TUCS), a service of Wilshire Associates, Santa Monica, Calif.

Events in the former Soviet Union could give a huge boost to world commodity prices and get world inflation speeding up again.

An economy in trauma

BY JOHN BRIMELOW

John Brimelow is director of international equities for BV Capital Markets, Inc., the New York brokerage arm of Bayerische Vereinsbank, Germany's third-largest bank.

THE LEADING Soviet export of recent times has been surprises. A special one may even now be in the gift-wrapping stage. A process currently under way in the territories of the former U.S.S.R. could trigger a commodity price boom as powerful (and cruel to bears) as the great markets of 1972-73 and 1987-88. The consequences for recently unfashionable natural resource equities could be dramatic.

Over the last couple of years an unprecedented flood of commodity shipments from the Soviet Union has swamped markets and sent prices reeling. As Wall Street and the business press have realized this, the conventional wisdom has inevitably formed that these shipments will continue.

In fact, Soviet behavior is even more influential than generally recognized. Markets like cocoa, lead, zinc and tin, where Soviet purchases were normally significant, have been faltering for lack of this traditional demand. Economic revival in Eastern Europe is also being delayed by the weakening of Soviet demand.

Clearly, the former Soviet territories are in extreme economic trauma. All the classic symptoms are there—barter, hoarding, massive intensification of extralegal economic activity, loss of respect for the local currency. Indeed, the immediate cause of the commodity flood is the panicky desire on the part of people in the old Soviet territories to get their hands on foreign currency. Breaking the normal production chain and shipping overseas is irresistibly attractive to enterprising individuals now that they seem unlikely to be shot for it. Never mind that local factories are deprived of the raw materials they need; get foreign currency at any cost.

But none of this is new. Economies in extreme trauma have been seen several times this century—Germany and Japan after World War II and Russia itself after the revolution, for example. The phenomenon has been lucidly discussed by UCLA's Professor Jack Hirshleifer in his *Economic Behavior in Adversity* (University of Chicago Press).

The key point: When things get bad enough, even the most deranged governments (like Lenin's Bolsheviks) come to their senses. And then the magnitude of the recovery can be enormous *(see table)*.

Industrial production index

Country	Base year	Low	Recovery high	Rebound from low
Germany	1928	1946—33	1949—74	124.2%
Japan	1934-36	1946—31	1949—71	129.0
Russia	1913	1921—13	1924—49	276.0

Base year equals 100.
Source: Jack Hirshleifer, *Economic Behavior in Adversity.*

The magnitude of a country's economic recovery from trauma can be enormous, as these three examples prove.

Don't fixate on the issue of how long it will take to bring Russia up to Western European production levels. This is the wrong question for the commodities markets. Even a return to something like Brezhnevian levels of inefficiency would still have profound implications for the area's propensity to consume or export many raw materials.

Other factors could intensify this coming swing. For example, energy was notoriously underpriced under the communists. This has led to the anomalous situation of a flood of energy-intensive metal exports, such as aluminum and ferroalloys, from a country supposedly short of energy. Any move to world energy prices could suddenly shut off this supply.

The swing will also be exaggerated by the so-called inventory effect. Generally, worldwide commodity consumption exhibits only sluggish trends. Changes in inventory preferences are what make commodities interesting. Right now, world industry is complacent, confident of a world slowdown and raw-material oversupply courtesy of the ex-Soviet Union. Add some measure of world recovery to the changes I foresee in Russia, and purchasing managers could be headed for a hectic time.

All this, of course, could bring bad news on the inflation front. I suspect that "noise" from the Soviet Union's liquidation process has been suppressing a measure of price inflation that would otherwise have shown up in the indexes. Eliminate this effect, and sentiment could change sharply.

Obvious beneficiaries: nickel and aluminum equities like Inco, Alcan, Alcoa. The platinum and gold sectors, which have felt the Russian bootprint as deeply as any, could do better. Not only would they benefit from a shift in the demand/supply balance, but a change in inflation expectations would boost them even more.

Rustenberg and Impala are the outstanding platinum plays. There is more choice in gold: I like Newmont, Franco-Nevada and Euro-Nevada.

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Here come the real estate tax shelters again

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March 2, 1992 Four Dollars

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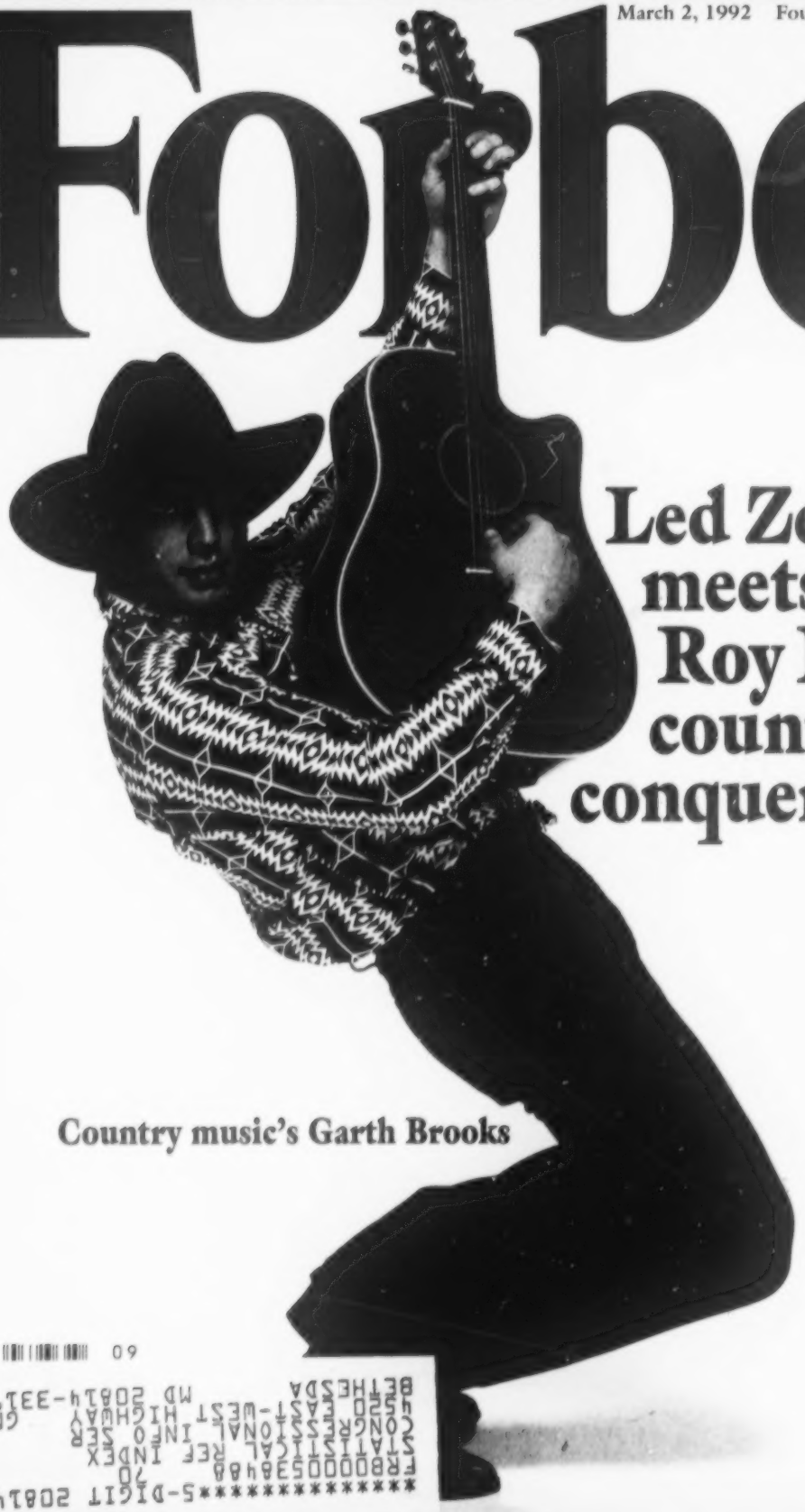

Led Zeppelin meets Roy Rogers... country conquers rock

Country music's Garth Brooks

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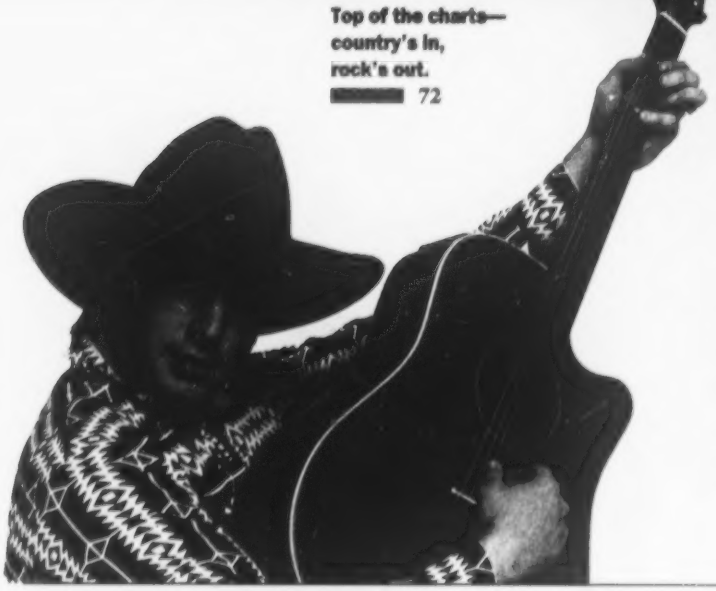

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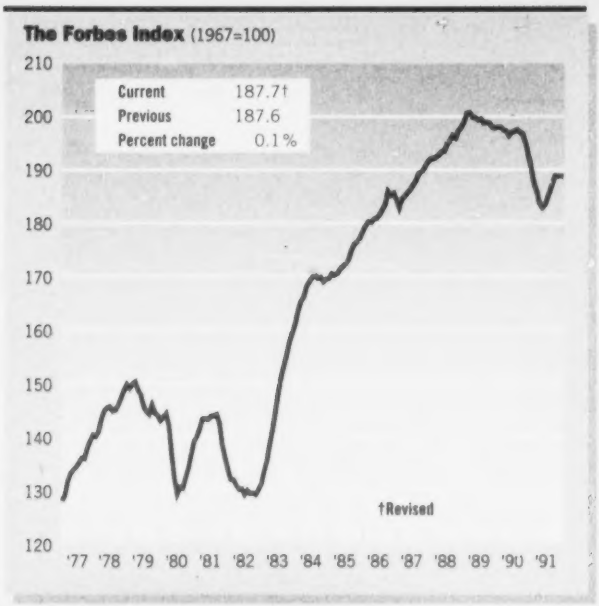
THE FORBES INDEX

BY TIMOTHY DODMAN



There's one silver lining in the consumer's reluctance to spend. In December Americans reduced their nonmortgage debts by $1.7 billion. That leaves some untapped borrowing capacity that could turn into auto and appliance purchases in the future. Part of the decrease may be attributed to uneasiness about the future, but lower interest rates are indirectly playing a role. With the low returns available from savings accounts and CDs, consumers are deciding that it makes more sense to use their savings to pay off older, higher-rate loans.

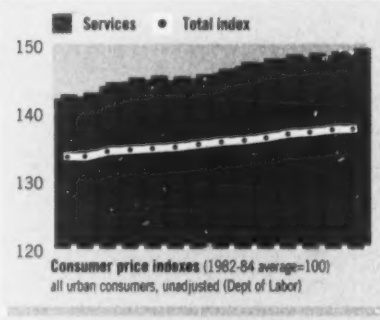
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	-0.9%
Index of leading indicators Dec vs Nov	Dept of Commerce	-0.3%
Trade balance 12 months ended Nov 1991	Dept of Commerce	-$65 bil
All-commodity producer price index Dec vs Nov[2]	Dept of Labor	-0.4%
GDP 4th quarter vs 3rd—annualized growth	Dept of Commerce	0.3%
M2 (3-month change)—annualized growth[3]	Federal Reserve	3.1%

[1] U.S.-based manufacturers, excludes imports, as of 1/30/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

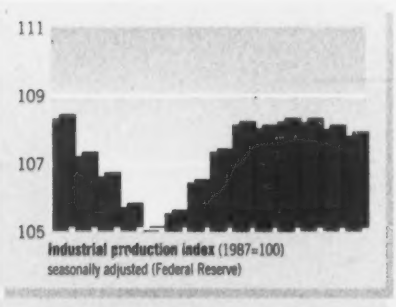
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

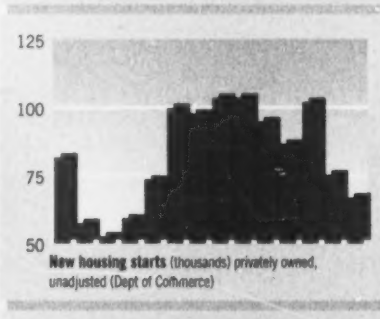


Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

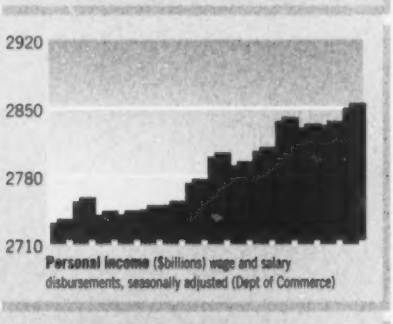
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

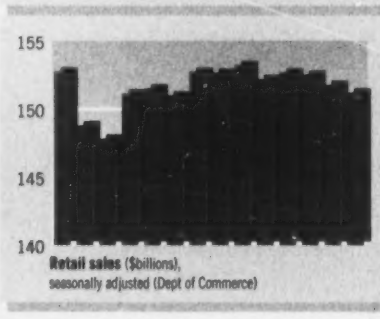


New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

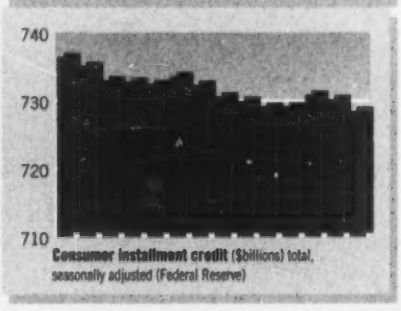


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

N D J F M A M J J A S O N D N D J F M A M J J A S O N D N D J F M A M J J A S O N D

As investors got sheared by overpriced junk bonds in the latter 1980s, so they now stand in danger of overpaying for the equity issues that are hitting the market as companies deleverage.

Junk equity

By Richard L. Stern and Tatiana Pouschine

FOR EVERY SEASON there is a financial fashion. In the 1980s debt was in vogue and the smart people on Wall Street made fortunes trading debt for the public's equity. Now debt is passé and equity is all the rage, and the same smart people are making second fortunes by selling equity back to the public, at much higher prices than what they paid just a few years ago.

The game is called reverse leveraged buyouts, and no one plays it better than the people at Kohlberg Kravis Roberts. In 1987 and 1988 KKR bought four companies—Duracell International, AutoZone, Owens-Illinois and Stop & Shop. KKR's total equity investment in these four companies was about $690 million. Last year KKR took all four public, racking up an estimated $4.4 billion, mostly in paper profits for itself and for fellow investors in its buyout pools. That's a 600%-plus return in five years. And we're not even counting at least $100 million in fees KKR took for itself before the companies went to the market.

That's not all. KKR and its coinvestors have made something like $4 billion from two other deals not on the 1991 new-issues list: RJR Nabisco and Safeway. Not counting the fees, the principals at KKR keep a fifth of the $8.4 billion in profits, or about $1.7 billion on paper so far.

Lesser LBO lights are faring nicely, too. At recent stock prices, Clayton & Dubilier partnerships are sitting on cash and paper worth $444 million from two 1991 issues—industrial pump maker BWIP Holding and the Scotts Co., a fertilizer and grass seed company. Clayton & Dubilier's original equity investments? Under $30 million.

In two relatively small 1991 deals—Alta Health Strategies, health care cost consultants, and Zilog, in integrated circuits—Warburg, Pincus also has done brilliantly, turning an original investment of about $27 million into $160 million on paper in less than six years. And so it goes.

Behind these stunning profits is not theft but the clever use of other people's money. The KKRs of the world have arbitraged brilliantly between two markets—debt and equity—over several years. Back in the 1980s investors were hungry for high-yielding junk bonds and allowed the dealmakers to use minimal cash down payments and lots of debt to take companies private. In the early days of the LBO craze, the dealmakers even bought equity on the cheap because the markets, particularly in terms of cash flow, were undervaluing the stocks of the publicly traded companies they took private. Only later in the 1980s did the buyout game get so crowded that assets were overpriced and debt undercollateralized—junk bonds really did become junk.

Now the situation has reversed, and the sheep are coming back to be shorn. With interest rates low and stocks high, the new-issues market is providing the dealmakers with the cash to wipe their balance sheets clean of some of the high-priced junk debt and to take huge profits on their small equity investments as the market applauds their reequitization.

Sell them while they're hot

Company/dealmakers	Offer date	Price offer	Price recent	% change from offer stock	% change from offer S&P	P/E at offer	P/E current	Market value ($mil)
Duracell International/KKR	5/1	15	33⅛	121%	8%	83	41	$3,702
AutoZone/KKR	4/1	11½	40	248	11	23	56	2,770
Owens-Illinois/KKR	12/11	11	13⅜	22	5	NA	35	1,591
International Specialty Products/GAF	6/24	15½	15	-3	8	29	24	1,498
MGIC Investment/Northwestern Mutual	8/6	24	40¼	68	5	10	15	1,183
Enquirer/Star Group/Boston Ventures, Macfadden, NAPI	7/19	14	20¼	45	7	8	NM	893
York International/Citicorp Investments, Prudential	10/1	23	29¼	27	9	NM	NA	847
Stop & Shop/KKR	11/22	12½	17	36	12	16	22	833
Royal Appliance/management	8/6	15½	55½	258	8	16	38	699
Kaiser Aluminum /Maxxam	7/11	14	12	-14	7	3	6	687
Filene's Basement/Greylock, Oak, Whitney	4/30	14½	34½	138	10	28	47	681
Amsco International/Welsh Carson Anderson & Stowe IV	3/26	14	23½	68	9	20	28	666
R P Scherer/Shearson Lehman	10/11	18	28⅜	58	5	26	41	657
Horace Mann Educators/Gibbons Goodwin van Amerongen	11/14	18	21¼	18	8	NA	NA	615
BWIP Holding/Clayton & Dubilier	5/23	14½	25	72	10	11	26	607
Vigoro/Sam Zell	5/20	14	24⅜	74	5	8	NA	487
Joy Environmental Technologies/Adler & Shaykin	11/15	17	14⅝	-14	9	55	NA	461
AnnTaylor Stores/Merrill Lynch	5/16	26	22⅛	-15	10	NM	74	406
Warnaco Group/Spectrum Group, management	10/11	20	31⅜	57	10	NA	NM	389
Health Mgmt Associates/First Chicago, Prudential, management	2/5	16	31¾	98	17	29	24	355
Interstate Bakeries/Metropolitan Life, CS First Boston	7/24	16	16⅞	5	11	13	9	353
Homedco Group/Robertson Stephens	5/2	15	27⅛	81	6	39	24	335
Presley/management	10/10	10	15⅞	59	9	53	NM	294
Amphenol/LPL Technologies	11/8	9¼	8⅝	-7	5	NA	15	282
Sonic/MAST Resources	2/28	12½	31½	152	6	46	49	245
Caldor/Odyssey Partners, DLJ	4/24	21	17½	-17	7	NA	NA	244
Zilog/Warburg Pincus	2/27	11	22¾	107	6	11	20	244
TakeCare/Hillman family	3/20	19	25¾	36	5	12	14	232
Vans/McCown De Leeuw, Chesterfield	8/22	14	24¾	77	7	48	NA	222
Carlisle Plastics/management	5/15	11	12⅛	10	12	NA	NA	217

Recent prices as of Feb. 7. NA: Not available. NM: Not meaningful.
Sources: Securities Data Co.; Standard & Poor's; company prospectuses and financials; Forbes.

In a hot market, highly leveraged companies can go public at rich multiples—and then go still higher. These are the 30 largest reverse LBO deals of 1991, measured by market value of common shares outstanding.

All told, some 65 reverse LBOs hit the market in 1991, raising $5.7 billion. The table shows 30 of the biggest deals.

Consider one of KKR's deals: Duracell International Inc., the battery maker. KKR bought Duracell from Kraft in June 1988 in a $1.9 billion leveraged buyout, funded heavily by junk bonds. The buyout price came to a seemingly unmanageable 15 times Duracell's earnings before interest and taxes, or EBIT, a good proxy for free cash flow.

Last May KKR took Duracell public at $15 a share. This price put a total valuation on the business—debt outstanding plus market value of equity—of $2.6 billion. The sum came in at 11 times earnings before interest and taxes. Still, KKR cleaned up, because Duracell's cash flow had nearly doubled, and the steep leverage in the deal magnified KKR's profits as equity holder.

By historical standards, 11 times cash flow is a particularly high price for a mature business like a battery manufacturer. But note that the initial offering raised $500 million, used to retire some of Duracell's junk debt. Remember: Debt is out these days and equity is in. Deleveraging the company improved the market's perception of Duracell, further increasing the value of the company's equity. Now Duracell stock is trading at 33. Even after unloading 7 million of its shares in an offering in October, KKR is sitting on a Duracell stake worth another $2 billion.

KKR should thank its lucky stars that the public markets don't work the way private markets do. Businesses trade privately for more like eight times free cash flow. Had KKR received for its four companies what a private-market buyer would pay, its profit would have been $750 million, less than a quarter what KKR has made so far by selling equity to the public.

Now notice something scary in the table. Since going public, many of these reverse LBOs have appreciated sharply. Zilog, Filene's Basement and Sonic have all more than doubled.

What does that do to EBIT multi-

ples? Let's look again at Duracell. At its recent price, Duracell is being valued in the marketplace at an astounding 18 times earnings before interest and taxes. Yet investors keep buying. Many of these companies are fundamentally sound, but the market is even bailing out dealmakers who overpaid and overleveraged to the point where operating earnings failed to cover interest expense. Some examples: Robern Apparel, a skiwear importer, and Fruehauf Trailer, maker of truck trailers.

This is scary because it suggests that the financial pendulum is again swinging too far. Just as the public began to pay too much for junk bonds as the 1980s wore on, so it now appears investors are beginning to pay fanciful prices for equity. Equity, in effect, is becoming junk equity.

Consider Gulfstream Aerospace. The maker of top-of-the-line business jets was purchased in 1990 from Chrysler by Teddy Forstmann and partners of his Forstmann Little & Co. Price: $850 million, of which $100 million was equity. Gulfstream's sales dropped—from over $1 billion in 1989 to $887 million last year. Gulfstream's operating income of $21 million doesn't begin to cover its $73 million in interest expenses.

No matter. Forstmann is planning to sell 5.75 million Gulfstream shares (19% of the company's equity) to the public. Price: $20 a share, which values the company (equity plus debt) at a truly incredible 61 times EBIT cash flow. If the issue sells, Forstmann and his investors will have booked paper profits of $270 million on a $70 million equity investment.

Another example of expensive equity replacing junk debt: Burlington Industries plans soon to retire most of its LBO debt by selling equity at a price that would value the business at 13 times operating income *(see story, p. 66)*.

Is the market near a peak? There's no telling. Financial fads often last longer than seems possible. But here's one warning sign: In several of the more recent reverse LBOs, the insiders themselves have been converting some of their personal holdings into cash. When the smart money is selling, public investors need a very good reason to be buying. ■

In outmaneuvering Carl Icahn for control of George Gillett's assets, Leon Black is striding toward billionaire status.

Warming up for the big ones

By Phyllis Berman with Jean Sherman Chatzky

NOW THAT THEY are about to win the bidding for Executive Life's $6 billion (par value) junk bond portfolio, how do Leon Black and France's Crédit Lyonnais, his partner, intend to exploit what they are buying? For some clues, check out what Black is doing with George Gillett Jr.'s Gillett Holdings. If we're right, Gillett will become a pattern for restructuring deals that will make 42-year-old Black a billionaire before the decade is up.

The insolvent Gillett Holdings has managed to hold on to several television stations, a meatpacking plant and Vail Associates, which owns and operates the Colorado ski resort.

Leon Black knows Gillett, the man and the company, well. As a young investment banker at the late Drexel Burnham, Black played a key role in Gillett's purchase of a single television station, WTVT in Tampa, Fla., for an incredible $385 million in 1987. The price was so high the annual debt service requirements exceeded the station's annual gross revenues.

A few months later, Black again helped facilitate Gillett Holdings' purchase—at a very high 15 times cash flow—of a group of television stations that another Black client, buyout king Kohlberg Kravis Roberts, wanted to spin off from Storer Communications. Michael Milken tried to convince Gillett that the deal was fundamentally unsound. But in the end Gillett ignored Milken and bought the Storer stations, financing the purchase with junk bonds at rates as high as 17.5%.

By late 1989 Gillett Holdings was

The old one-armed bandit has entered the electronic age—and revenue-hungry politicians are delighted.

Legalizing the slots

By James Cook

A VIDEO LOTTERY TERMINAL is a slot machine that lays out video poker hands, bingo cards or what have you for low-stakes gambling. It's called adult amusement. It's the old one-armed bandit updated.

Except for their payment devices, these terminals are identical to the video poker machines played legally in Las Vegas and Atlantic City and illegally in tens of thousands of bars, restaurants and clubs all over the U.S. With VLTs you generally don't feed quarters into a slot, you feed bills, to establish your credit—$1, $5, $20. Your losses and winnings are electronically tallied as you play, then totaled and printed out on a slip redeemable for cash (if you come out ahead).

It's a product whose time has come. The lottomania (FORBES, *Mar. 6, 1989*) that sent state lottery revenues to more than $20 billion last year has finally run out of steam. Revenue gains are slackening off, and in a third of the states playing the game, revenues are down. The video lottery shapes up as a quick, easy and no longer especially controversial means of tapping a new source of revenue for voracious state budgets.

State lotteries have gone a long way toward making gambling respectable. They have turned gambling into a source of money for such estimable causes as education, the environment and economic development. The video lottery promises to do for the slot machine what lotteries did for the numbers game: channel people's gambling instincts into socially useful causes. Larry Lippon, boss of Video Lottery Technologies, which designed South Dakota's prototypical video lottery system, says, "Our whole vision was to create a stream of public revenues for funding favorite issues."

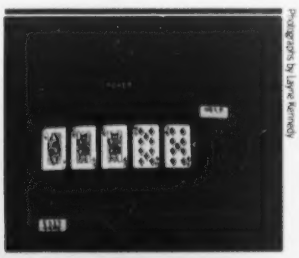
The stream is finally beginning to flow. Montana began playing the video lottery in 1985, South Dakota in 1989, Canada's Maritime Provinces in 1990, Manitoba and three Colorado mining towns last year. West Virginia and Alberta have trial programs under way, Oregon and Louisiana will get their games into operation this year, and legislation is under consideration in Kansas, Missouri, Minnesota, South Carolina, Wisconsin, New Mexico, New York and New Jersey.

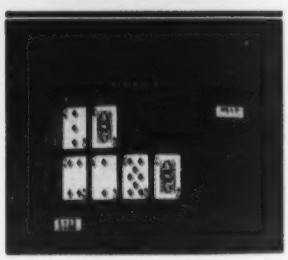
Players can sit for hours before the machines, playing with interactive touch-screen controls, turning hard-earned cash into instant adrenaline. The video lottery offers instant gratification—no waiting to learn whether you won or lost.

Last year the VLTs yielded Montana $21 million in tax revenue, South Dakota $25 million—five to ten times what their conventional lotteries do. And these are thinly populated, low-income states. Imagine what such lotteries could yield in New York, Illinois or California.

So the potential is enormous. There may be 190,000 casino machines in place, as against fewer than 30,000 VLTs, but the balance is likely to shift. John J. Russell is president of Reno's International Game Technology, the U.S.' largest videogaming machine manufacturer. Russell says that lottery demand could easily run between 300,000 and 600,000 machines over the next three or four years, and that doesn't include 150,000 machines for the traditional casino market. With VLTs currently selling for maybe $5,000 apiece, that shapes up as a $1.5 billion market, enough to get anyone's competitive juices flowing.

International Game Technology





Photographs by Lynn Kennedy

The games people will play **Video lottery terminals like these at a bar in Sioux Falls, S.D. promise to do for slot machines what lotteries did for the numbers game.**

The VLT game

Company	1991 revenues ($mil)	% change 87-91	1991 net income ($mil)	% change 87-91	Price range high	Price range low	Recent price	Market cap ($mil)
Bally Gaming Intl*	$155	32%	$5	33%	20	11¼	18½	$193
Intl Game Tech	237	186	30	—†	59½	10	56¼	1,665
Video Lottery Tech	31	297	4	7810	31½	16½	24	265
WMS Industries	161	31	11	1700	20⅞	2½	20⅛	456

* Revenue and earnings figures are estimates. †1987 had net loss.

One more sign of an overheated stock market: No matter that Bally's market share had collapsed, that Video Lottery Technologies' earnings per share had leveled off, or that WMS had yet to sell a single machine. Their new shares were gobbled up last fall. Of the public companies here, only Video Lottery Technologies and IGT have established major positions in the VLT market, but the others are coming.

pioneered the videogaming machines that started it all in the early Eighties. But the competition is coming on fast, especially from Lippon's Video Lottery Technologies and from privately owned Gtech (FORBES, *Jan. 23, 1989*), which produces on-line computer systems for two dozen state lotteries.

Bringing up the rear are a dozen or so other companies, including Bally Gaming International, which manages West Virginia's pilot VLT project, and WMS Industries, the world's largest maker of pinball machines, which introduced its first VLT at a trade show last September. At least one major defense contractor has thought about getting into the business. And there are others waiting to take the plunge. Last fall a passel of gaming outfits—Video Lottery Technologies, Bally Gaming and WMS Industries—were able to peddle nearly $150 million in new stock to the public at multiples that made them look like biotech outfits *(see table)*.

Actually, videogaming was well under way before state governments recognized it as a potent source of revenue. According to Montgomery Securities' William S. Fellows, the manufacturers have already put at least 150,000 untaxed, unregulated and illegal machines into operation in North America.

Don't count on the legal VLTs' putting the illegal market out of business. An illegal machine in a densely populated state like New Jersey can yield $4,000 or more a week, and an operator can recover his $5,000 investment in the machine in two or three weeks, faster than law enforcement is able to shut him down. Despite the legalization of lotteries and off-track betting, numbers rackets and horse rooms still flourish. But at least legalization shifts some of the burden of government from the taxpayer to the gambler—and while lots of people love to gamble, almost nobody loves paying taxes.

#1 Ranked Balanced Fund Over Ten Years.

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THE FORBES/BARRA WALL STREET REVIEW

BY GILBERT STEEDLEY

If Fed Chairman Alan Greenspan starts cutting interest rates again, expect some more excitement in the auto stocks. Investors think that lower interest rates and a recovering economy will especially help Detroit's automakers. Auto analyst Arvid Jouppi, of Arvid Jouppi & Associates in Canton, Mich., thinks that the auto industry is well positioned for a cyclical rebound. "Their difficult cost-cutting programs will make a difference," claims Jouppi. Barra, Inc.'s factor for motor vehicle manufacturing had a 9.4% gain in the last two weeks and is up 16% since the start of the year. More may be in store: On Feb. 4 Greenspan stated that additional rate cuts were possible, driving the Dow industrials, the Nasdaq and the Amex to new highs.

The Barra All-US index finished with a slight gain for the two weeks ending Feb. 6, but it is still off from its mid-January peak.

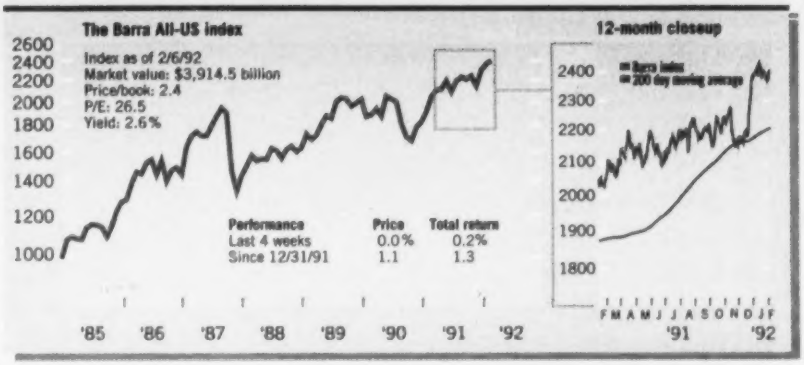
Special focus

One area where Japan has lagged the U.S. and the rest of the world recently is in stock market performance. For the three months ended in January, the Morgan Stanley index for Japanese stocks had a –8.6% return (including dividends and measured in U.S. dollars) versus a 4.9% return for the U.S. Hong Kong's market led, up nearly 17%.

International scorecard

Hong Kong	16.6%	Denmark	2.6%
Austria	14.3	Finland	2.5
Italy	12.6	UK	2.4
Belgium	12.4	Spain	0.2
Singapore	11.9	Sweden	-0.3
Germany	9.7	Canada	-0.9
Netherlands	7.7	Norway	-1.7
Switzerland	7.7	New Zealand	-4.0
France	6.3	Australia	-7.5
United States	4.9	Japan	-8.6

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	0.3%	21.1%	-1.6%
Sharpe/Barra Growth index[1]	-0.1	24.7	-3.5
Sharpe/Barra Value index[2]	-0.1	14.3	-2.0
Dow Jones industrials	0.9	15.8	-0.5
S&P 500	-0.3	16.1	-1.7
NYSE	0.0	17.6	-1.3
Nasdaq	2.4	46.6	0.0
Amex	0.5	24.4	0.0
EAFE[3]	0.4	-0.5	-19.0
CRB index[4,5]	1.0	0.2	-21.7
Gold[5]	0.1	-3.3	-29.3
Yen[5]	1.4	-2.3	-23.4
Oil[5]	4.3	-8.0	-52.6

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Kentucky Central Life Ins	9 5/8	54%	$ 1.40	US Bioscience	17 1/2	-47%	$-0.16
Owens-Corning	36 5/8	47	1.95	Autodesk	26 1/4	-26	2.82
Imperial Bancorp	14	43	1.15	Pacific Enterprises	18 3/4	-25	2.16
Score Board	39 1/4	39	1.82	Acuson	23 1/2	-24	1.83
Grenada Sunburst Sys	20 1/4	38	1.65	Interlake	6 7/8	-21	0.15

The best and worst performing industry factors[6,8]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Motor vehicles	9.4%	16.5%	Oilfield service	-10.1%	-16.0%
Beverages	6.5	3.2	Coal & uranium	-6.9	-7.4
Tobacco	5.5	5.8	Life insurance	-6.5	-9.8
Construction	5.1	11.7	Aluminum	-6.4	-8.6
Forest products	3.9	19.9	Misc mining, metals	-6.1	-3.1

Note: Data for period ending 2/6/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

NEW ISSUES REVIEW

BY WARREN MIDGETT

The biggest new issues[1]

Company/business	Exchange	Offer date	Offer price	Recent price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Owens-Illinois/glass, plastics	n	12/11/91	11	12	528	Morgan Stanley	9%	99
HealthTrust/hospitals	n	12/12/91	14	15¼	511	Merrill Lynch	9	100
Health Care & Retirement/nursing homes	n	10/17/91	17	22⅛	263	Merrill Lynch	30	122
Horace Mann Educators/insurance	n	11/14/91	18	22¼	214	First Boston	24	118
ShopKo Stores/discount variety stores	n	10/8/91	15	12⅞	198	Goldman, Sachs	–14	78
York International/refrigeration equip	n	10/1/91	23	25⅞	184	First Boston	13	105
Stop & Shop/supermarkets	n	11/22/91	12½	13⅞	170	Merrill Lynch	11	100
Gaylord Entertainment/cable, broadcasting	n	10/24/91	20½	29½	157	First Boston	44	133
Bell Bancorp/savings & loan	o	11/12/91	25	29¾	156	Adams, Cohen	19	112
RP Scherer/mfg gelatin capsules	n	10/11/91	18	30¾	140	Lehman Brothers	71	156

Performance update

The market for initial public offerings is hotter than a summer day in Phoenix. In 1991, 366 new issues raised $16.5 billion in capital. Though not quite a record, it was the biggest year since 1987, when 519 issues generated $17.1 billion. The fourth quarter of 1991, in which $6.2 billion in capital was raised, was $1.3 billion shy of the record-setting fourth quarter of 1986.

The hottest industry in 1991? Biotech, which accounted for 51 issues and slightly over $1.4 billion raised. The biggest biotech offering of 1991 was Haemonetics, which raised $106 million. A number of these stocks, already expensive (in relation to book value) when they came out, have since doubled or more than doubled. Examples include Aphton, Medirex and Applied Immune Sciences.

This year is also off to a strong start. As of early February, 46 companies had gone public, raising $2.3 billion. According to Newark, N.J.-based Securities Data Co., another 122 issues are already in registration; their offerings have a potential value of $5.8 billion.

"Interest rate cuts have no doubt accelerated the pace in the IPO market, but another key factor has been the deleveraging of the 1980s," says Joe Miller, a Securities Data analyst.

The best new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Mitek Surgical Prods/surgical implants	16	14	Hambrecht & Quist	109%	193
Broderbund Software/software	11	36	Alex Brown & Sons	109	188
Alteon/pharmaceuticals	15	45	Alex Brown & Sons	100	188
Intervisual Books/publishing	3	5	Chatfield Dean	96	178
Perrigo/pharmaceuticals	16	128	Morgan Stanley	86	171

The worst new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Salton/Maxim/appliances	12	28	Dean Witter	–54%	41
Koo Koo Roo/restaurants	5	6	Whale Securities	–45	52
Veterinary Ctrs of Amer/animal hospitals	6	14	Rosenkrantz, Lyon	–35	59
Dateq Info Network/information svcs	10	8	Chicago Corp	–35	61
Sunbelt Nursery Grp/lawn & garden prods	8½	27	Smith Barney	–32	62

The most active investment bankers

Underwriter	Total offerings	Total raised ($mil)
Goldman, Sachs	20	$2,686
Merrill Lynch	16	2,327
First Boston	19	1,655
Morgan Stanley	12	1,114
Alex Brown & Sons	20	728

Industries going public

Industry	Total offerings	Total raised ($mil)
Manufacturing	40	$2,371
Health care	10	1,000
Business svcs	27	637
Retail	7	545
Insurance	4	334

Note: Initial public offerings of common equities with offer date of 10/1/91 to 12/31/91, offering price of $2.50 or more and offering value of $5 million or more. Closed-end funds, limited partnerships, and ADRs (American Depositary Receipts) of corporations already traded in foreign countries are excluded, as are REITs and spinoffs. [1]Last quarter. [2]The ending value of $100 invested in the stock, divided by the ending value of $1 invested in the market. [3]Latest 12 months. Source: Securities Data Co.

MAR

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1992

How to play the international interest rate gaps

The "conspiracy" against women

C395a-1

March 16, 1992 Four Dollars

Forbes

MY STORY

"After 1986 I felt like a skilled surgeon who's been locked out of the operating room and watches through the glass in horror as some first-year medical students go to work on a patient. They're cutting him open while referring to textbooks but they're turned to the wrong chapter."

MICHAEL MILKEN

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Forbes
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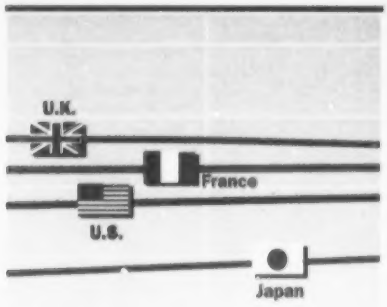

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Cover photo by James Colburn/Photoreporters

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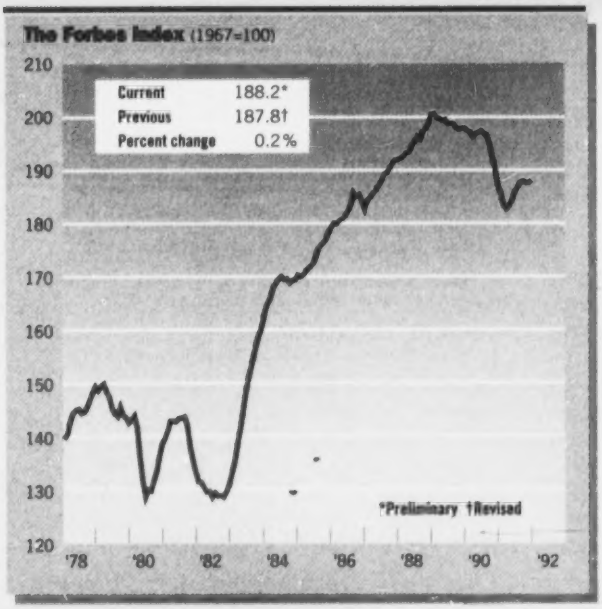
THE FORBES INDEX

BY TIMOTHY DODMAN



Recessions are like forest fires—destructive, but capable of sowing the seeds for future growth. The current recession helped bring down the trade deficit to its lowest level since 1983. While exports set a record in 1991, imports declined for the first year since 1982. Likewise, consumer and corporate balance sheets are being rehabilitated.

The economy is beginning to show signs of a recovery. January housing starts were 38% above their depressed January 1991 level. And auto sales may have turned the corner *(see table below)*.

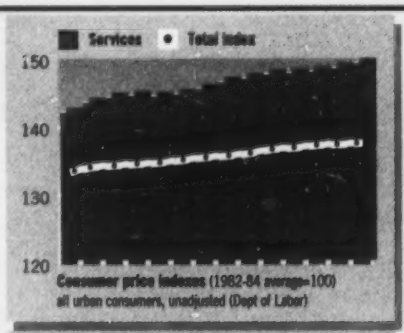
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	2.7%
Index of leading indicators Dec vs Nov	Dept of Commerce	-0.3%
Trade balance 12 months ended Dec 1991	Dept of Commerce	-$66 bil
All-commodity producer price index Jan vs Dec[2]	Dept of Labor	-0.3%
GDP 4th quarter vs 3rd—annualized growth	Dept of Commerce	0.3%
M2 (3-month change)—annualized growth[3]	Federal Reserve	4.0%

[1] U.S.-based manufacturers, excludes imports as of 2/10/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

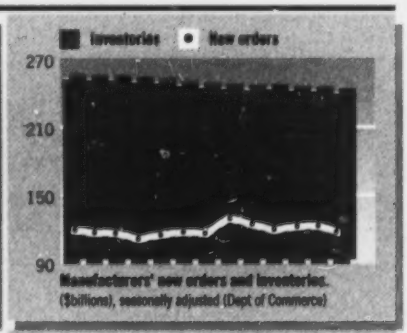
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

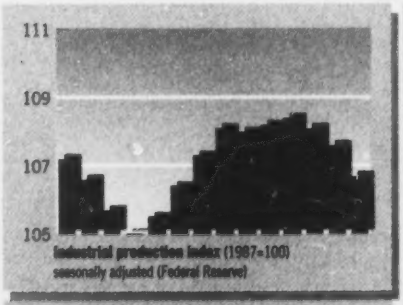
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



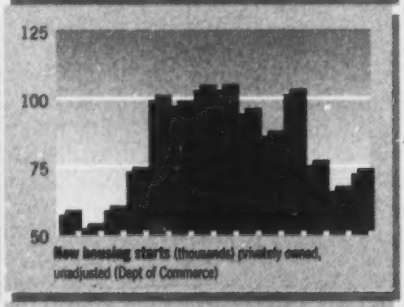
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



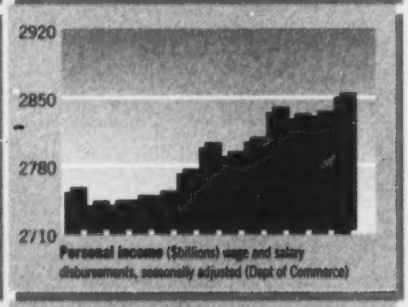
Manufacturers' new orders and inventories, ($billions), seasonally adjusted (Dept of Commerce)



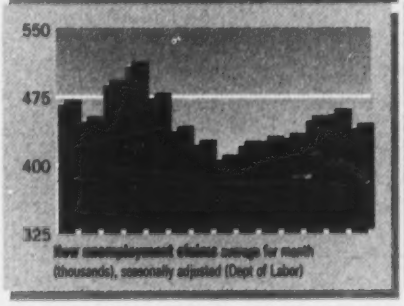
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



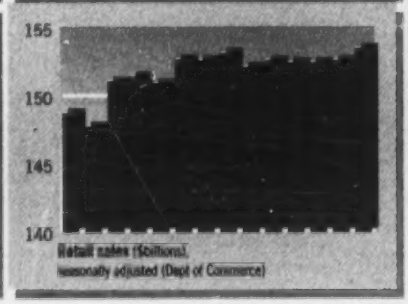
New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

Is it time for value again? In the supercharged bull market of 1991, growth stocks—those trading on hopes for future earnings and/or sales gains—comfortably outperformed the more conservative value stocks, the ones trading on the strength of their earnings, balance sheets and breakup values. But during the six weeks ended Feb. 20, Sharpe/Barra's growth stock index lost 4%, while its value index gained 3%.

Denis Laplaige, manager of the Mainstay Value Fund, thinks it's high time for value stocks to make a comeback. "The gap [in P/E ratios] between growth stocks and cyclicals is as wide as I've seen it in 15 years," he says. Laplaige's portfolio sells at 16 times trailing earnings, versus the market's multiple of 26. Some recent additions include GenCorp and Mark IV Industries. Laplaige also likes a few finance companies, such as Beneficial and Green Tree Acceptance.

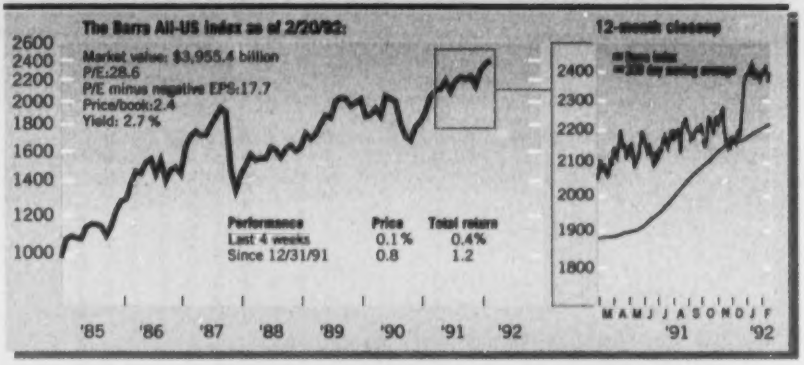
Special focus

As a group, the S&P 500 sells for 26 times trailing earnings. But, as Josh Weston of Automatic Data Processing Inc. points out, the earnings figure incorporates losses of moneylosing firms. Remove the 88 losers from the index and the remaining firms are trading at an average 18 times earnings.

Valuation of the S&P 500

Number of S&P 500 companies with:	
P/Es greater than 25.0:	104
P/Es between 25.0 and 15:	180
P/Es less than 15:	124
Negative earnings:	88
Not available:	4

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US Index	-0.2%	18.0%	-1.8%
Sharpe/Barra Growth Index[1]	-1.2	20.0	-4.6
Sharpe/Barra Value Index[2]	1.6	13.5	-0.5
Dow Jones Industrials	1.7	13.5	0.1
S&P 500	-0.3	13.4	-1.6
NYSE	-0.1	14.7	-1.4
Nasdaq	1.5	41.6	-2.0
Amex	-0.3	20.8	-1.5
EAFE[3]	-5.9	-9.9	-23.8
CRB Index[4,5]	-0.9	0.0	-22.4
Gold[5]	-0.6	-2.6	-29.7
Yen[5]	2.3	-2.2	-21.6
Oil[6]	-4.9	0.5	-54.9

The best and worst performing stocks

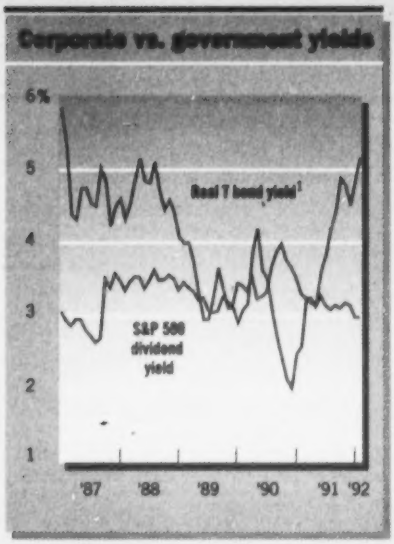
Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Showboat	14	47%	$0.72	MGI Pharma	11⅞	-47%	$-0.97
Basic American Medical	18	41	NA	MESA Inc	3⅛	-39	-0.54
Society For Savings Bncp	9⅛	40	NA	Contocor	34	-34	0.71
Grand Casinos	23¼	39	0.30	Manley & James	10	-30	NA
Oneita Inds	22⅞	38	1.20	Cambridge NeuroScience	8¼	-30	-1.01

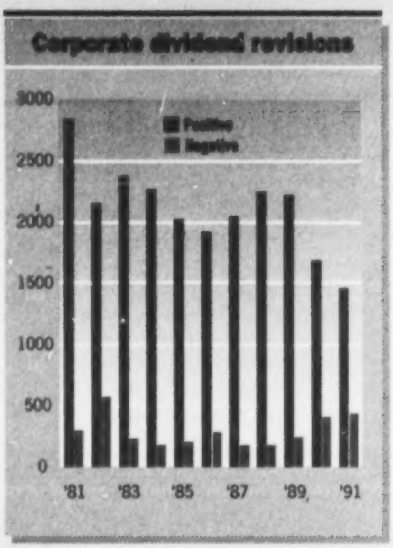
The best and worst performing industry factors

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Forest products	12.9%	35.2%	Tobacco	-6.7%	-1.2%
Motor vehicles	9.6	28.3	Coal & uranium	-6.4	-13.9
Water transport	9.5	10.3	Health care	-5.7	-9.4
Aluminum	9.4	0.4	Cosmetics	-5.3	-1.0
Trucking	7.8	14.1	Pollution control	-5.0	-2.8

Note: Data for period ending 2/20/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

BY GILBERT STEEDLEY





Stocks are now trading at 34 times dividends—that is, the average yield in the market is a mere 3%. By historical standards, a multiple of 34 times cash payout is a fairly rich price. Are dividends destined to climb briskly? The recent news isn't good. Dividend cuts and omissions are running high—22 in January of this year.

After averaging a 7% annual growth rate through the 1980s, dividends on the S&P 500 increased just 1% in 1991. Last year was the worst year for dividend increases in two decades—only 1,086 firms raised dividends.

A moderate rebound is expected for dividends in 1992. Gregory A. Smith, chief investment strategist of Prudential Securities, predicts a 5% rise for S&P 500 dividends.

The dividend picture is particularly bright in one sector: pharmaceuticals. Ronald Nordmann, a drug analyst at PaineWebber, says that Schering-Plough can expand both dividends and earnings by better than 15% for the next several years. Nordmann also likes Syntex, which is currently yielding less than the industry average of 2.5%, but he thinks it should deliver dividend growth of about 18% per year through the mid-1990s. The table at lower left shows other stocks with good dividend growth records.

Representative industry yields

Industry	Yield	Payout ratio [2]	P/E	Industry	Yield	Payout ratio [2]	P/E
Automotive	4.4%	NM	NM	Household Prods	2.1%	40%	21
Banking	3.1	49	27	Petroleum	5.3	101	16
Basic chemicals	4.1	71	17	Pharmaceuticals	2.3	48	25
Electrical Equipment	2.7	43	16	Retail	1.6	40	24
Electrical utilities	6.4	67	13	Telecommunications	4.6	67	18

Solid dividends

Company	Price	Indicated rate	Yield	Payout ratio	Dividend growth [3]
Automatic Data Processing	46½	$0.40	0.9%	23%	16%
CPC International	80	2.20	2.8	47	13
Dillard Dept Stores	130¼	0.24	0.2	4	14
Interpublic Group	57	0.84	1.5	34	16
Medtronic	80⅛	0.48	0.6	19	16
Rubbermaid	32⅞	0.34	1.0	35	18
Sara Lee	51⅛	1.00	2.0	34	19
Schering-Plough	56¼	1.32	2.3	44	24
Sigma-Aldrich	47¾	0.25	0.5	16	15
Syntex	47⅛	0.92	2.0	48	23

Doubtful dividends

Company	Price	Indicated rate	Yield	Trailing EPS
Arvin	9⅝	$1.08	11.2%	$0.28
Ford Motor	38⅛	1.60	4.1	-4.89
General Motors	39	1.60	4.1	-7.49
Nevada Power	18½	1.60	8.6	0.38
NS Group	7¼	0.12	1.7	-1.75
Outboard Marine	25	0.40	1.6	-4.15
PS Group	27¾	0.60	2.2	-6.39
Sierra Pacific Res	23¼	1.84	7.9	1.66
Sterling Chemicals	4⅞	0.30	6.2	0.24
Tenneco	39¼	1.60	4.1	-5.62

Note: All data, except where footnoted, as of 2/20/92. [1]Yield on 30-year Treasurys adjusted for inflation using the trailing 12 months' increase in the Consumer Price Index. [2]Capitalization-weighted. Dividends divided by net income; all extraordinary items are excluded. [3]Five-year growth rate. NM: Not meaningful. Sources: Media General, Value Line, via Lotus One Source; Standard & Poor's.

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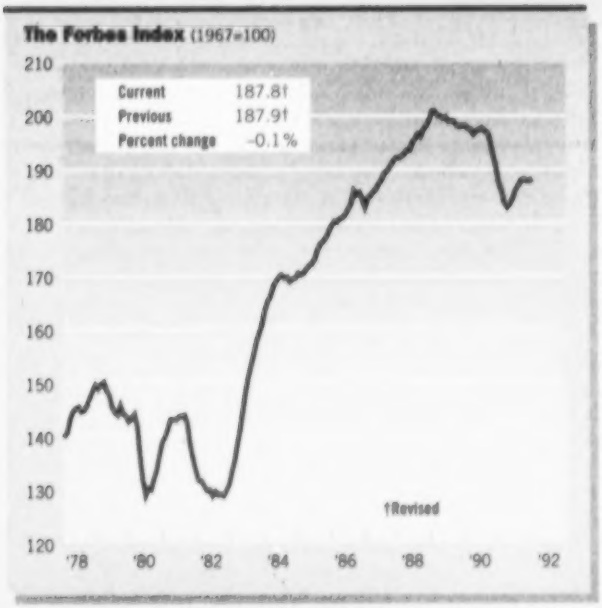
Cover illustration by James Nazz

THE FORBES INDEX

BY TIMOTHY DODMAN



The economy seems to be riding a thin line between a recession and a recovery. The retail and housing components have been slowly gaining strength but are somewhat offset by declining industrial production and weakness in consumer credit. The mixed February employment report is another example of conflicting signals: 164,000 new jobs were created, but the unemployment rate rose slightly, to 7.3%. This increase is partially attributed to an expanding labor force. The Forbes Index finished January with a 0.1% decline.

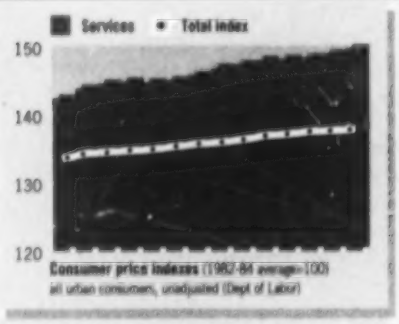
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.6%
Index of leading indicators Jan vs Dec	Dept of Commerce	0.9%
Trade balance 12 months ended Dec 1991	Dept of Commerce	-$66 bil
All-commodity producer price index Jan vs Dec[2]	Dept of Labor	-0.3%
GDP 4th quarter vs 3rd—annualized growth	Dept of Commerce	0.8%
M2 (3-month change)—annualized growth[3]	Federal Reserve	2.2%

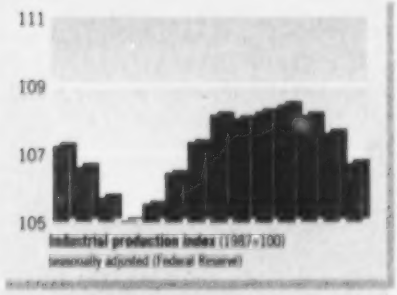
[1] U.S.-based manufacturers, excludes imports, as of 2/29/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

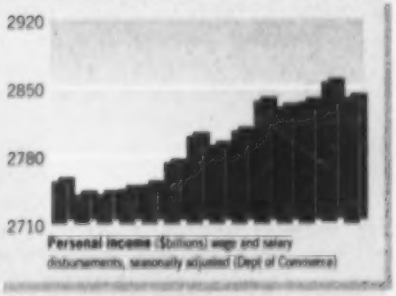
Index components

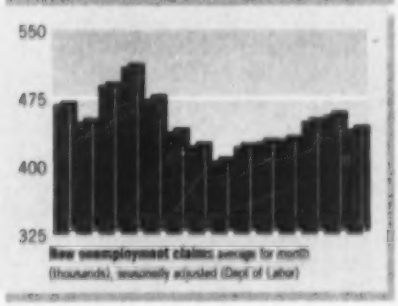
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

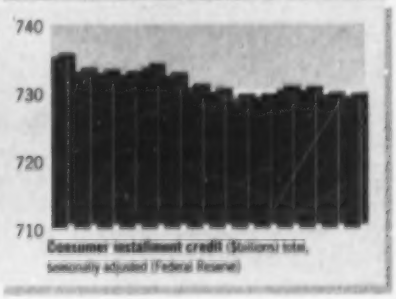
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.











D J F M A M J J A S O N D J D J F M A M J J A S O N D J D J F M A M J J A S O N D J

As the U.S. did more than a decade ago, Germany in 1992 is facing sharply rising costs and a significant decline in international competitiveness.

The German disease

By Peter Fuhrman

ECONOMIC GROWTH has stalled, inflation is high and threatens to boil higher, productivity and export growth are stagnating. Believe it or not, this is Germany.

Germans blame the high cost of repairing the damage done by socialism in East Germany. The bill to date is over $100 billion in 18 months, with hundreds of billions still to go. But there is more to the story.

The fact is that western Germany, too, is infected with the socialist virus. "Big government, high taxes and regulations harmful to business are causing a serious cost squeeze and an increasing loss in competitiveness," complains Tyll Necker, president of one of Germany's best middle-size exporters, machinery maker Hako-Werke GmbH. "We are closer to the brink than most people realize."

Corporate taxes soak German businesses each year of 66% of their retained earnings. Thanks to this and the lack of a broad equity capital market, German companies are now the most thinly capitalized in the industrial world, with average equity equaling just 30% of total capital. In the U.S., by comparison, it's 65%. For all but the largest German firms, this heavy debt load makes it more and more difficult to afford cost-cutting capital investment. Electricity and telephone costs are roughly double U.S. rates. Ditto domestic airfares. The government sets the prices and, in the case of the phone company, owns the service and blocks any possibility of competition.

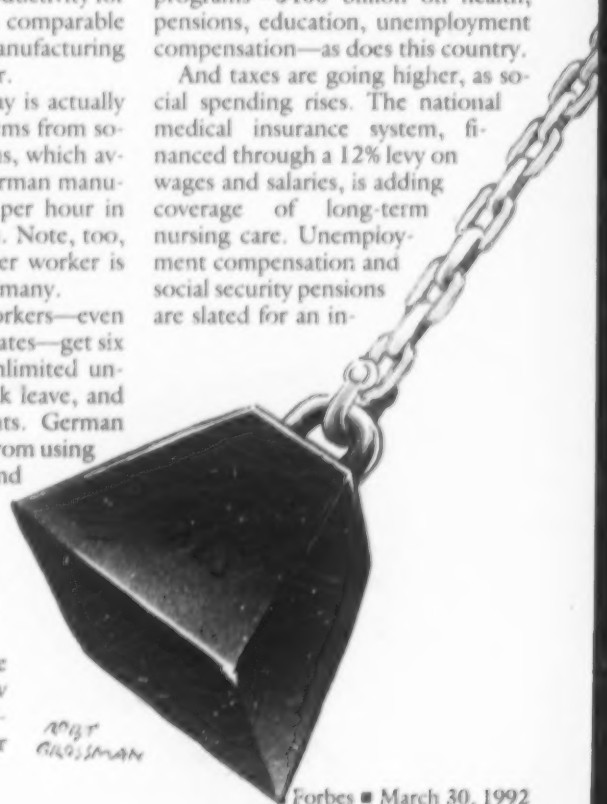
For decades, German competitiveness and ingenuity compensated for all this statism, but now the lines are crossing. The average German manufacturing worker now costs $25 an hour, and new national wage agreements will raise rates this year by around 7%. Wage increases have exceeded the growth in productivity for six years in a row. The comparable U.S. and Japanese manufacturing workers cost $15 an hour.

German take-home pay is actually lower. The difference stems from social security contributions, which average $11 an hour in German manufacturing, versus $3.60 per hour in both the U.S. and Japan. Note, too, that American output per worker is much higher than in Germany.

By law all German workers—even recent high school graduates—get six weeks' paid vacation, unlimited unemployment pay and sick leave, and generous layoff payments. German laws prevent companies from using night shifts or weekend work to spread overhead costs more efficiently. German factories now operate an average of just 53 hours a week, about two-thirds the utilization level in the U.S. That gap will grow wider in 1995 when Germany moves to a 35-hour workweek.

The biggest villain is the high and rising cost of German social democracy—with emphasis on the first word. Germany's central and regional governments together take 50% of the country's gross national product. With a population one-third of the U.S.', Germany spends more than twice as much per head on social programs—$400 billion on health, pensions, education, unemployment compensation—as does this country.

And taxes are going higher, as social spending rises. The national medical insurance system, financed through a 12% levy on wages and salaries, is adding coverage of long-term nursing care. Unemployment compensation and social security pensions are slated for an in-



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THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

These are fat times on Wall Street. Initial public offerings are coming out at a near record pace, and trading activity is increasing. Average daily trading volume on the New York Stock Exchange, 179 million shares last year, shot up to 233 million during the first two months of the year.

Perrin Long, who follows the securities industry for First of Michigan Corp. in Detroit, says that owning brokerage stocks beats owning stock indexes like the S&P 500. "Brokerage stocks are, in effect, a proxy for the market," he says. "They do very well in a high-volume, low-interest-rate environment like today's."

Long quickly adds that brokerage stocks are quite cyclical. They do better than the market in good times but worse than other stocks when the market sinks. But if he's right, the best bet may be a portfolio mixing brokerage stocks (for upside gains) and cash (for when the market sells off).

Special focus

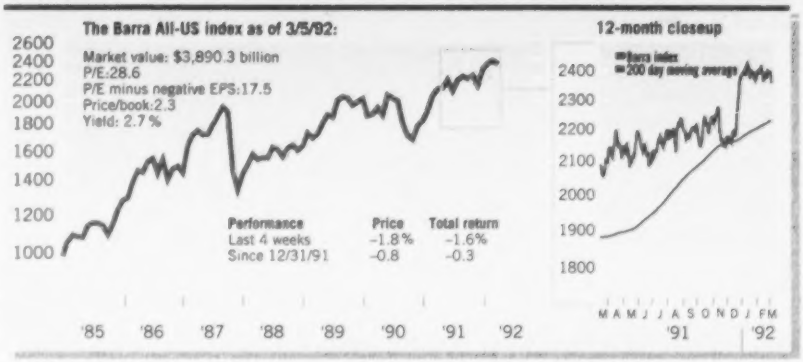
Who would pay a premium over asset value to get into a closed-end fund? It's a question discussed on page 144. Some of these funds have perceived scarcity value, since it's hard to invest in Turkey or Singapore. Bergstrom Capital's superb performance record (FORBES, *Jan. 6*) may explain its premium.

Expensive closed-end funds

Fund	Premium
Turkish Investment Fund	26.8%
Indonesia Fund	26.6
Taiwan Fund	26.3
Bergstrom Capital	21.4
Z-Seven	21.2
Van Kampen Merritt Intl	18.3
Asia Pacific	16.9
ROC Taiwan Fund	16.7
Korea Fund	16.0
Templeton Emerging Markets	14.9

Source: Morningstar

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-1.6%	12.1%	-3.4%
Sharpe/Barra Growth index[1]	-1.4	14.4	-5.9
Sharpe/Barra Value index[2]	-1.9	8.1	-2.4
Dow Jones industrials	-1.2	9.4	-1.5
S&P 500	-1.8	8.1	-3.4
NYSE	-1.6	9.5	-3.0
Nasdaq	-1.6	30.7	-3.6
Amex	-0.6	15.5	-2.1
EAFE[3]	-1.4	-11.1	-24.9
CRB index[4,5]	-0.4	-4.7	-22.7
Gold[5]	-0.6	-4.4	-30.1
Yen[5]	2.6	-2.8	-19.6
Oil[5]	0.0	-4.4	-54.9

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Grace Energy	17 1/8	43%	$0.75	American Dental Laser	6 5/8	-43%	$0.80
DWG	8 7/8	34	NA	Esterline Technologies	11	-33	1.50
Alpine Group	13 5/8	33	NA	Zeos Intl	15 3/4	-28	1.57
Herbalife Intl	8 1/2	31	NA	Retix	12 3/4	-25	0.53
Cerner	33 1/2	29	1.41	Komag	15	-25	1.44

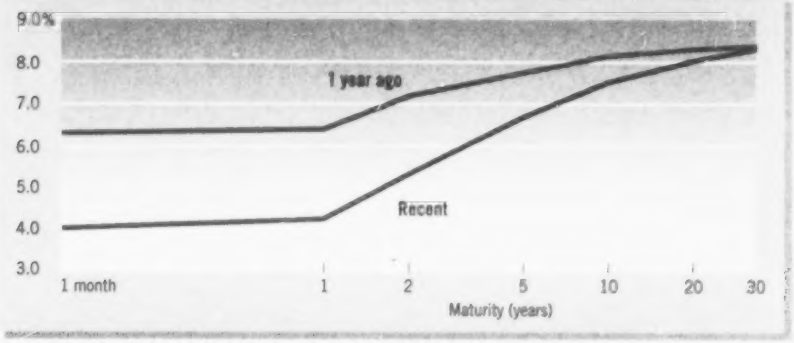
The best and worst performing industry factors[6,8]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Media	3.1%	8.4%	Photographic, optical	-7.9%	-11.8%
Beverages	1.2	5.1	Motor vehicles	-6.5	20.8
Drugs	1.2	-7.0	Oil refining, distribution	-6.5	-4.8
Tobacco	0.9	0.0	Coal & uranium	-5.6	-18.4
Real Estate	0.9	3.2	Electronics	-4.5	5.1

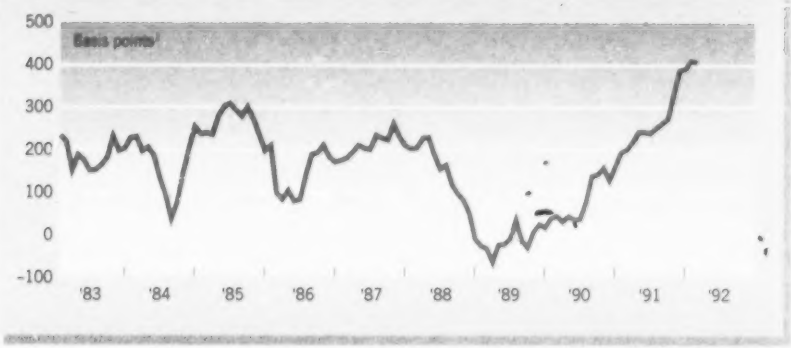
Note: Data for period ending 3/5/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

BY ERIC S. HARDY

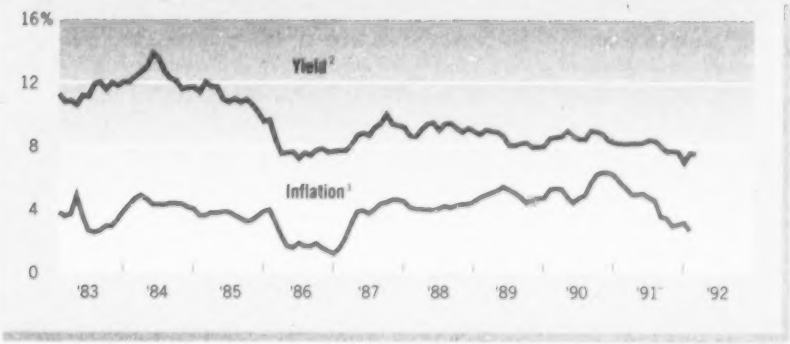
Yield curve



30-year rate minus 1-year rate



Yield vs. inflation



Spread over Treasurys

Security	Basis points[1]
AA corporates	75
AAA industrials	60
Ginnie Maes	81
Junk corporates[4]	538
Municipals[5]	-184

Total returns

Security	1 year[6]	3 years[6,7]
AAA corporates	13.9%	12.4%
Ginnie Maes	12.9	13.8
Junk corporates[4]	37.3	12.0
Municipals[5]	10.0	9.8
Treasury bonds	12.1	12.1

Note: Except where footnoted, all information provided by Barra, Inc., Berkeley, Calif. [1]A basis point is equal to one-hundredth of a percentage point. [2]Yield on ten-year Treasurys. [3]The trailing 12-month increase in the Consumer Price Index, through 1/31/92. [4]Source: First Boston. [5]Source: Lehman Brothers. [6]Data through 2/28/92. [7]Annualized

The unusually steep yield curve presents a tempting speculation to bond bulls. The 30-year Treasury now yields 8% to maturity. If the yield declines by 1 percentage point over the next year, total return to today's buyers would be 22%.

What's the case for declining long-term interest rates? One argument is that it is simply abnormal for the long bond to yield so much more than the shortest-term Treasury paper. Investors are being rewarded with 4 percentage points of additional yield to purchase a 30-year bond instead of a 1-year bill. The last time the gap was anywhere near this wide was back in mid-1985, when the spread was only 3 percentage points.

Another reason to buy long Treasurys is that the powers in Washington are very unhappy about high long-term interest rates, which have an impact on mortgages and other politically sensitive rates. The Administration can't do much about long-term rates directly, but it can try to influence them. It might, for example, direct the Treasury to issue more short-term bills and fewer long bonds. Or the Federal Reserve banks could buy up long Treasurys. Either way, the supply-demand balance can be altered in such a way that prices might rise and yields fall.

Another argument offered by the bulls is that inflation is down to 2.6%. If it stays convincingly low, then investors will be more willing to commit their money for 30 years.

Interest rates could head upward instead, of course, sending prices plunging. First Boston Chief Economist Neal Soss notes that long bond yields ranged between 7.5% and 8.5% in 1991, when there was a war and a transition from economic growth to recession. Citing the election, pending tax changes and mixed perceptions of the health of the economy, Soss warns that rates could be even more volatile this year.

Buyers, in Soss' view, must be prepared to withstand substantial swings in the value of their bonds. He expects the prevailing 8% yield to be about the middle of this year's range.

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Toys "R" Us: The growing gets tough

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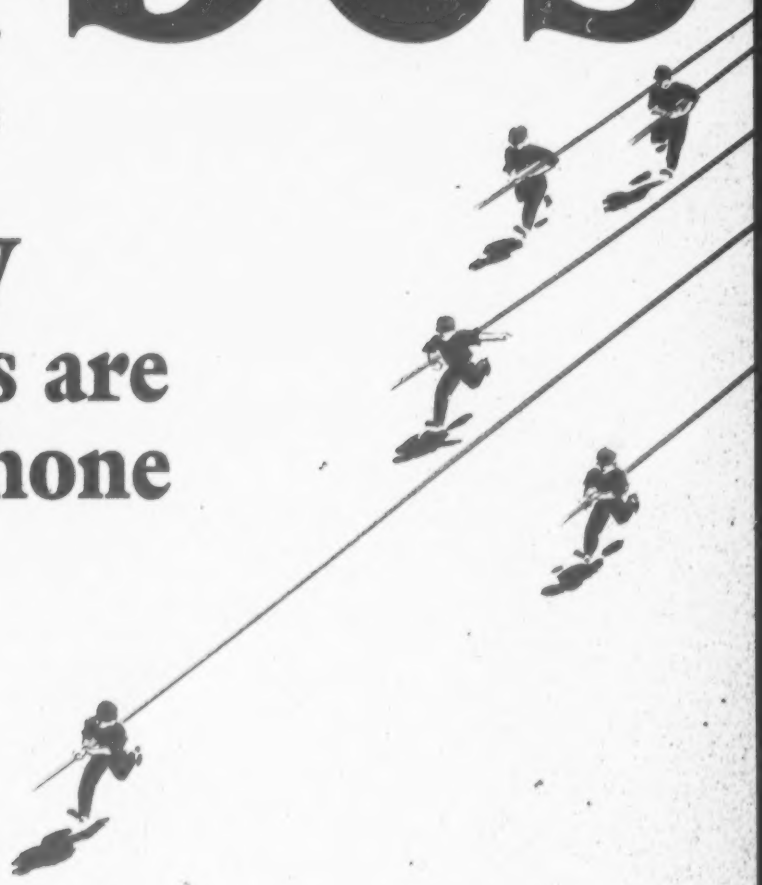
April 13, 1992 Four Dollars

Forbes

The race to wire homes for the digital age

How cable TV entrepreneurs are beating the phone companies



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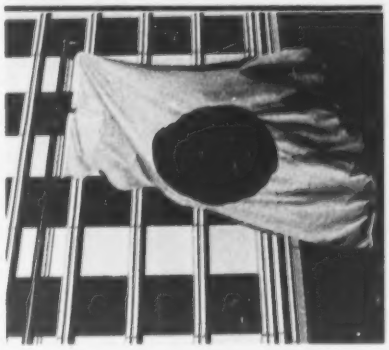

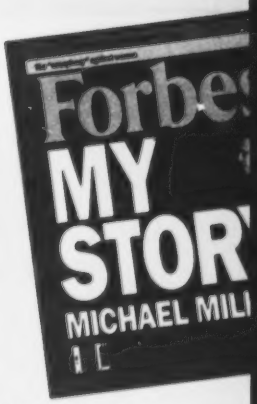

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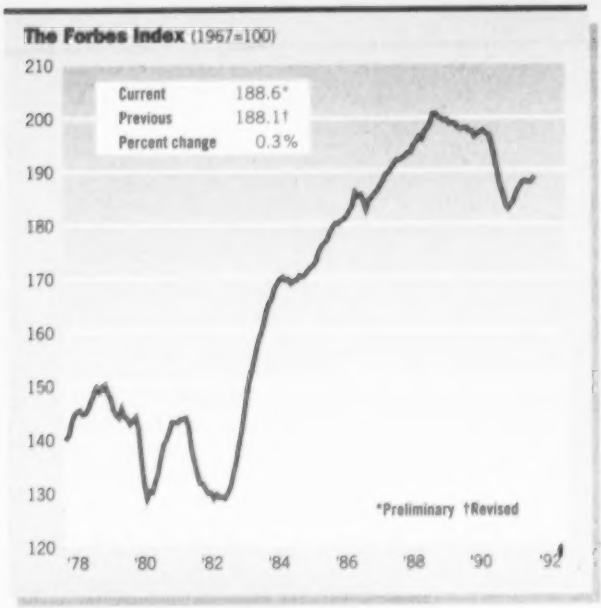
THE FORBES INDEX

BY TIMOTHY DODMAN



A mild uptick in sales of U.S.-built autos—from a low base—contributed to a 0.6% gain in February industrial production. One year ago the Gulf war kept U.S. consumers away from auto showrooms. Still, the rise in industrial production was the first gain in three months. Average monthly unemployment claims are still increasing, but if the manufacturing rebound is genuine, it should eventually lead to new jobs. The Federal Reserve has expanded the money supply, but both consumer and producer price increases have been minimal.

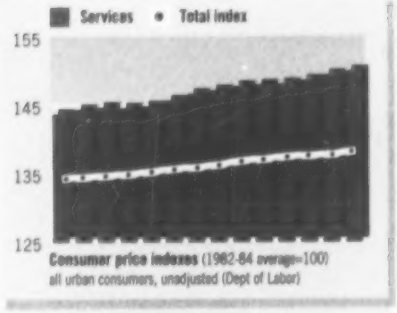
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	2.6%
Index of leading indicators Jan vs Dec	Dept of Commerce	0.9%
Trade balance 12 months ended Jan 1992	Dept of Commerce	-$71 bil
All-commodity producer price index Feb vs Jan[2]	Dept of Labor	0.4%
GDP 4th quarter vs 3rd—annualized growth	Dept of Commerce	0.8%
M2 (3-month change)—annualized growth[3]	Federal Reserve	4.4%

[1] U.S.-based manufacturers, excludes imports, as of 3/10/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

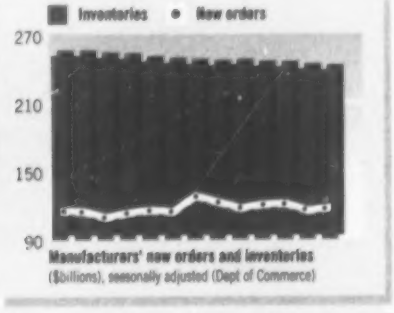
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

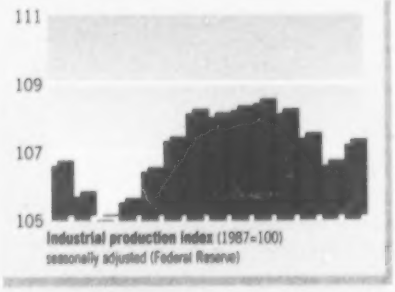
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

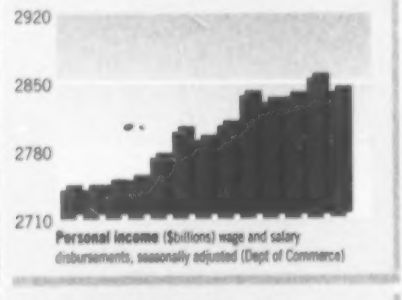


Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

J F M A M J J A S O N D J F J F M A M J J A S O N D J F J F M A M J J A S O N D J F

Lots of smart telecommunications people thought the cable companies were dinosaurs that would be overrun by the telephone companies. But look who's overrunning whom.

Cable's secret weapon

By George Gilder

IMAGINE that you're watching a film just ordered up over one of a cable television system's dozens of pay-per-view channels. The phone rings, but you don't reach for the phone. You reach for the TV remote control unit. Hitting the pause/mute button to stop and silence the film, you take the call through the remote unit, which has become a wireless portable phone. Your phone bill next month bears the name not of the local phone company but of your local cable company.

The CATV companies taking on the phone companies? Wasn't it supposed to be the other way around? Weren't the well-heeled telephone companies going to be the innovators that would lay fiber-optic wires and deliver movies, newspapers, bill paying, banking and other two-way video services to American homes, and drive the cable companies to the wall?

So a lot of people, this writer included, thought. We were wrong.

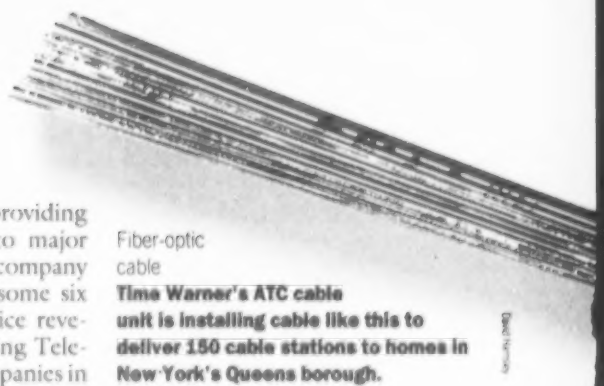
One of the most significant telecommunications deals occurred on Feb. 18. That's when Tele-Communications Inc., the country's largest cable operator *(see table, p. 84)*, agreed to buy 49% of Teleport Communications Group, Inc. from Merrill Lynch; the balance will be held by another cable firm, privately owned Cox Enteprises, Inc. Teleport has built up a $100-million-a-year business by interconnecting major buildings and corporations with fiber-optic cable and linking customers to other phone networks—thereby often bypassing the local telephone companies and their exorbitant switching charges.

Teleport, in short, brings TCI and Cox into direct competition with local phone companies in providing data transmission services to major corporations. With phone company data service revenue rising some six times faster than voice service revenue, TCI and Cox will be using Teleport to attack the phone companies in one of their most profitable areas.

This wasn't the first incursion by a CATV company onto telephone company turf, and it certainly won't be the last. As TV market development manager of fiber-optic cablemaker Corning Inc., Jon Chester knows something about the strategies and ambitions of the various telecommunications competitors. "The cable TV industry," says Chester, "is changing from being a video entertainment source to being a full-service telecommunications supplier."

The cable TV companies already enjoy a substantial lead over the telephone companies in the race to put smart wires into U.S. households. Currently, 60 out of every 100 American homes are hooked up to cable TV; another 33 can easily be hooked up. By contrast, the telephone companies have pushed their wires into 93% of U.S. households.

But those penetration figures are misleading. What matters is not the quantity of wire but its quality—how much data can be passed through the wires, and how easily. On this score, the cable TV companies are far out in front of the telephone companies.



Fiber-optic cable

Time Warner's ATC cable unit is installing cable like this to deliver 150 cable stations to homes in New York's Queens borough.

The arteries of a cable TV system are the coaxial cables that run from the center of the system, the so-called headend, out to subscribers' homes. Over long distances, coaxial cable is not a very efficient conduit of electronic impulses; it is far inferior to fiber-optic cable. About every quarter-mile, coaxial cable requires an amplifier to boost the signal and compensate for resistance on the line. These amplifiers create electronic noise and virtually prohibit efficient two-way communications on coaxial cable. Because of this limitation, most pay-per-view CATV systems and the various shopping channels depend upon both cable and telephone companies: Customers see the video programming via cable, but they order films or merchandise over the phone.

Over short distances, however, coaxial cable is a highly efficient data conduit. Over stretches of 300 feet or less into the home, coaxial cable requires no amplifiers. Thus, across the so-called drop—the distance from the

General Instrument's Remote 'N Phone **This wireless phone/remote control unit will allow couch potatoes to take and make calls through their cable system without leaving the couch.**

curbside cable into the living room—coaxial cable can now handle as much data as fiber-optic cable, and far more than phone companies' conventional twisted-pair copper wires can transmit.

In telecommunications industry jargon, coaxial cable over short distances is what is called a "broadband pipe"—a conduit through which huge amounts of data can flow at enormous speed. Through a broadband pipe, for example, the entire contents of the Library of Congress could flow in under eight hours. To send the same quantity of information by modem over a conventional telephone line would require 500 years.

To get a bit technical, information moves through air or through metal or glass cables in waves. Cable capacity is measured in frequency or bandwidth: the number of waves (or hertz) passing through the line per second. Current, in-place coaxial cable systems have a potential bandwidth of 1 billion hertz (1 gigahertz). Compare this with the 4,000 hertz (4 kilohertz) capacity of current twisted-pair phone company wires.

The point is this: The telephone companies' existing narrowband copper wire links to homes can normally hold only voice and data. But CATV's coaxial broadband links to the home can act as conduits for billions of bits of full-motion digital video, high-resolution medical images, vivid educational simulations and lifelike videoconferences. Comparing the two wires is like comparing a five-car ferry with an eight-lane bridge.

Here's an example of what consumers can already receive through the cable operators' broadband pipes:

Through a service called X*press, from TCI spinoff Liberty Media Inc., cable subscribers can plug their personal computers into their CATV system's coaxial cable outlet and receive a huge flow of digitized data. Suppose, for example, you want to know what is being written about IBM and where the stock closed. Using software from X*press, you set your computer to tune in this news from a data flood pouring in over your cable line from 35 news wires. Likewise for stock quotes, movie reviews, weather reports, horoscopes and a great deal else.

Gerald Bennington, president of X*press, says the service is designed primarily for computer users in the home, not office, and is priced accordingly: from $4.95 per month for a Prodigy-like service, with weather reports and stock quotes, to around $25 per month for a wider variety of services, including more sophisticated investment news. Ultimately, some experts believe X*press will be able to keep pace with centralized on-line database services like Dow Jones or Dialog at a fraction of the price.

Haven't the telephone companies installed much more fiber-optic cable than the cable companies? Yes, they have. But the cable companies are increasing their base more rapidly. CATV fiber mileage has doubled every year since 1988, and will hit 22,000 miles by year-end. While telephone companies today devote around 7% of their investment budget to fiber optics, the cable industry invests more like 15% of its capital budget in fiber.

More important, the cable companies get more bang for every mile of fiber they lay. Look at the diagram on page 82. Traditionally, CATV systems have expanded using a tree-and-branch structure: A single coaxial trunk cable is laid starting at the headend; tributary cables run off this trunk line into neighborhoods.

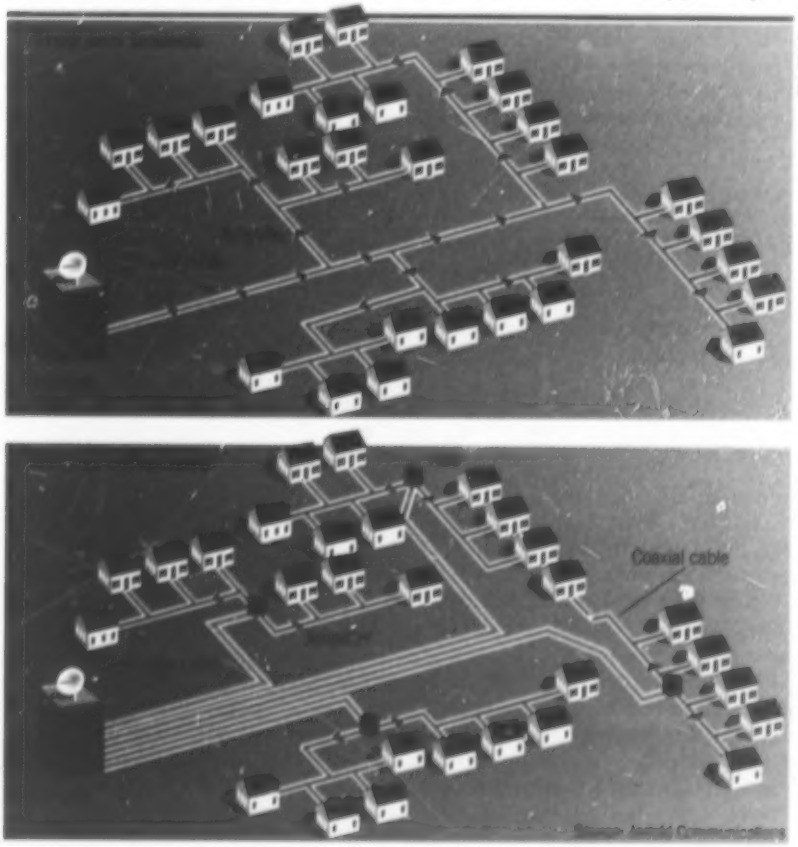
Recently, however, the most advanced cable operators have been breaking up their tree-and-branch systems into what are called "star" configurations. In a star configuration, the operator installs separate fiber-optic lines from the cable headend at the center of the star to neighborhood A. Once there, the broadband fiber-optic cable can connect into the existing broadband coaxial pipes serving a few hundred of neighborhood A's homes. Then the operator moves on to neighborhood B and so on, financing each phase of the upgrading as he proceeds, without serious interruption to the existing service.

Remember coaxial cable's Achilles' heel—all those amplifiers needed to boost the signal over long distances? By installing fiber-optic cables from the cable headend to clusters of homes and tying the fiber into the neighborhood coaxial system, the ca-

ble operator can deliver a data-rich 1-gigahertz signal using just a few—or even no—amplifiers. Eliminating those amplifiers opens the network for two-way traffic that can be switched at the cable system's headend, like a phone system.

Now compare the cable operator's position with that of the telephone companies. To achieve the same level of service upgrade, the telephone company would have to make the same investment in fiber trunk lines—and it would have to make an additional, and heavy, investment in replacing its 4-kilohertz copper wire links into customers' homes and offices. As long as the twisted-pair copper connections remain, phone company fiber does not substantially improve the bandwidth of service to the home. To put it another way: There's no point in sending a tidal wave of information down a broadband fiber line and into the neck of a tiny bottle.

In short, a cable system can turn itself into a supplier of a wide range of broadband services, including wireless phone and computer video, at relatively light cost. According to American Television & Communications Corp., Time Warner's primary (4.6 million subscribers) cable operation, the trunks-and-feeders part of a cable network makes up only 19% of the financial value of cable-installed base. Remaining in place are the most expensive parts of the cable system—those broadband coaxial pipelines from neighborhood hub to home. These lines comprise 75% of the dollar value of CATV plant. (The other 6% is the headend or the central community organization point.) This high cost of installing new broadband links to the home is why ATC Senior Vice President James Chiddix says: "We [in the U.S. cable industry] have spent the last four decades putting a broadband transmission medium into the local loop. That is an exceedingly difficult thing for potential competitors to replicate."



By using fiber-optic cable to reconfigure their tree-and-branch coaxial cable architectures (above) into "star" networks (below), cable operators can do away with most of a system's noisy amplifiers while leaving costly links to the homes in place.

In December ATC rolled out the country's most ambitious fiber-based cable system, in Queens, in New York. In the first phase, available now to some 10,000 Queens households served by new fiber-optic trunk lines, Time Warner offers 150 channels. These include 90 conventional cable channels—MTV, Discovery, ESPN and the like—and 60 pay-per-view movie channels over which it sells films at prices from $1.95 to $4.95 each. Price for this greatly expanded standard service: $23.95 a month—no more than basic cable.

But this is merely a first step. Time Warner plans to push its fiber-optic cables still deeper into the neighborhood, and to transform the system from one based on the flow of information in analog form—like the waves found in nature—to one based on digitized information bits.

What will that mean for ATC and its subscribers? More choice for subscribers, more revenues for Time Warner. Says Chiddix: "We'll be able to provide a different mix of 200 digital channels to each group of 500 homes. This should be sufficient capacity, when combined with 75 channels of basic 'broadcast' services, to allow us to provide individually switched video to individual homes."

When that happens, probably within the next four years, the age of narrowcast information will have truly arrived. "Individually switched video" means the individual viewer tells the programming vendor what he or she wants to see and when, rather than tuning in based on a vendor's schedule. With individually switched video in place, one parent, say, might participate in an interactive college reunion teleconference; another parent might watch a basketball game between her alma mater and an obscure rival; a teenager might study physics with a Caltech professor, while another undergoes diagnostic tests for a torn knee with a specialist across the country. All simultaneously.

Science fiction? Based on Time Warner's work, other cable company ventures and scores of phone compa-

American Television & Communication's James Chiddix **Working on individually switched video: interactive programming when the consumer wants it, not when the vendor schedules it.**

ny experiments across the country, individually switched video for millions of Americans will be widely available before the end of the decade.

As they move closer toward outright competition with the telephone companies, the relatively lightly regulated cable companies enjoy another advantage over the rich-but-regulated phone companies: They are still mostly run by the innovative entrepreneurs who built most of the big CATV firms, people like TCI's John Malone and Cablevision Systems' Charles Dolan. Indeed, it was because these entrepreneurs responded quickly to competitive threats like direct broadcast satellite television and video stores in the 1980s that the CATV industry has invested so heavily in upgrading its systems.

Congress and the courts continue to hobble the telephone companies on the grounds that they are local monopolies. Thus the phone companies generally cannot own cable franchises in their own service areas, nor have they been allowed, until recently, to get into electronic publishing. This plays nicely into the cable entrepreneurs' hands, giving them time to explore parts of the telephone business before the companies can get into their business.

For example, TCI is partnering with McCaw Cellular to develop wireless phone service using cable. Using TCI's broadband links, McCaw can connect lightweight cordless phones to the cellular hub and from there to the local and long distance phone networks. It's a nifty sharing of resources. McCaw, which used to be in cable, provides the phone service, marketing and billing; TCI (whose John Malone is on McCaw's board) supplies the vital broadband connections necessary to carry the signals from scores of wireless phones possibly clustering at unpredictable places.

Another big cable company, Ralph Roberts' Comcast Corp., has been investing in cellular telephones since 1988. On Mar. 5 this year, Comcast plunked down another $1 billion to

LEFT: John Malone of TCI
BELOW: X*press' Gerald Bennington **TCI spinoff Liberty Media's X*press: using coaxial cables to feed home computers with investor and other information for $25 monthly.**

Who's who in cable: the public top five

Name	Number of subscribers (millions)	Operating cash flow 1991 ($mil)	Cable as % of operating cash flow 1991	Cash flow per share 1991	Debt ($bil)	Recent price	5-year high	5-year low	Other cable-related investments
Tele-Communications Inc[1]	11.3	$1540E	95%	$3.67E	$9.7	16	22	8	Turner Broadcasting, Discovery Channel, UK cable systems
Time Warner Inc	6.7	2630	39	24.50	8.8	106	193	66	Turner Broadcasting, Whittle Communications, E! Entertainment Channel
Comcast Corporation[1]	2.8	309	92	2.40	1.7	16	19	7	QVC, Turner Broadcasting, UK cable systems
Jones Intercable[2]	1.7	49	100	4.00	0.3	12	17	6	None
Cablevision Systems Corp	1.6	269	100	12.00	2.2	30	47	9	Rainbow Programming Enterprises

[1]Includes subscribers to Storer Cable, owned 50% by Comcast, 42% by TCI. [2]May fiscal year annualized for calendar 1991. E: Estimate.
Source: Moran & Associates.

These companies serve half the 55 million cable subscribers in the U.S.

buy Philadelphia's nonwireline cellular franchise, thus becoming the first U.S. company to own cable and cellular systems in the same market.

There is cooperation as well as competition between the cable and telephone companies. Examples:

- TCI is joining US West and AT&T in a Denver test of video-on-demand, supplying the viewer's choice of 2,000 movies within minutes.
- U.S. phone and cable companies are combining to provide a variety of communications services all over Europe, where cross-ownership prohibitions do not apply. US West, for example, has invested in cable in France, Hungary, Sweden and Norway, and has teamed up with TCI to supply joint cable and phone service in the U.K. to 2.9 million homes.
- In Washington's Virginia suburbs, Cablevision of Loudoun is linking with Bell Atlantic and innovative BroadBand Technologies, Inc. of Raleigh, N.C. in an ambitious digital video trial resembling Time Warner's plans for Queens. This joint venture enhances picture quality, provides on-screen menus and automatically reports line trouble.

Through its fiber and coaxial lines, the cable industry is also becoming a force in computer networks, the fastest-growing part of the computer industry. As the computer industry moves from simple text communications to images and multimedia, the telephone companies have often failed to keep up by offering lines of sufficient bandwidth to transmit large amounts of digital data required by video and graphics.

Digital Equipment Corp. senior consultant James Albrycht tells a revealing story. DEC wanted to link its headquarters with employees' personal computers at home. DEC decided to use Ethernet, a fast local area network system normally confined to individual buildings. But DEC's local phone company, Nynex Corp., was unable to provide the broadband digital lines Ethernet required.

Stymied by Nynex, Albrycht turned to his local cable provider, Cablevision Systems. He discovered not only that Cablevision's fiber/coaxial cable network could supply ample bandwidth between DEC's offices and employees' homes but also that Cablevision's switching structure was more suitable for Ethernet than the telephone company's switching systems were. "It was a simple overlay," Albrycht recalls. "We had Ethernet up and running [on Cablevision's network] in four days."

Under the name of Community Multimedia Networking, Digital is planning other networking systems across the country, using CATV systems for videoconferencing, video store-and-forward, file transfers, video mail and other value-added telecommunications services.

Curiously, Wall Street is unimpressed by the CATV companies' technological lead and enormous commercial opportunities. Despite the strong stock market, most of the publicly owned cable companies are trading at sizable discounts from their 1989 highs *(see table)*. Perhaps this is because investors fear Congress will decide to re-regulate cable. Or perhaps it is because the entrepreneurs who run the cable companies are less interested in reported earnings than in maximizing asset values by borrowing and investing heavily and paying minimal taxes.

Still, some smart money has been flowing quietly into cable. In 1990 Forstmann Little & Co. and its limited partners paid approximately $1.6 billion for General Instrument, the cable industry's chief supplier of capital equipment. And last month the partners at investment bankers Lazard Frères paid $400 million for 19% of heavily indebted Continental Cablevision Inc., a Boston-based operator with 2.9 million subscribers.

Are the partners at Forstmann and Lazard right about cable? Impossible to know. Telecommunications technology is changing with incredible speed. The heavily capitalized telephone companies could make a fast comeback, especially if Congress and the courts deregulated them. But Congress first seems inclined to add to cable's regulatory burdens. And the computer companies—where entrepreneurial vitality is high and there is no regulation—will also arise as serious competitors in creating digital information networks.

One thing, however, is already clear. The telephone, television and computer are rapidly merging into a single, very intelligent box—a telecomputer. This telecomputer will be linked to the rest of the world by high-capacity smart wires. As things now stand, the cable companies have moved these broadband wires closer to homes and offices than anyone else. ■

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

The market is off to a slow start in 1992. To date, the total return (including reinvested dividends) on the Barra All-US index is under 1%.

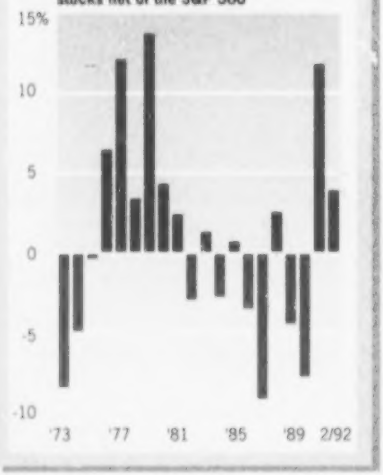
One sector of the market that certainly is not stagnant is the forest products group. Barra's forest products industry factor is up a startling 45% since the start of the year. Reflecting their depressed earnings and the fact that several companies lost money last year, the 21 stocks in Barra's forest industry group are trading at more than 76 times earnings, versus the market's 29.

Prudential Securities' Mark Rogers thinks there is ample justification for the recent performance of these stocks. He cites the dramatic increase in lumber prices—related both to demand from a slowly stirring construction industry and to conservation policies in the Pacific Northwest—as a good reason to anticipate big earnings gains in this industry.

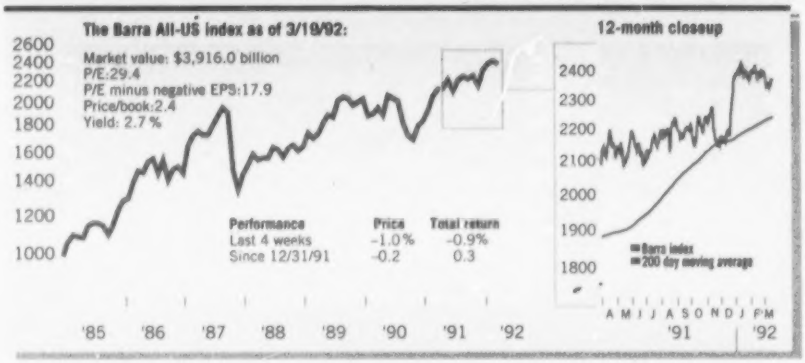
Special focus

After beating the S&P from 1976 to 1981, the Sharpe/Barra Medium Capitalization index (consisting of about 1,000 of the largest stocks outside the S&P) settled down for a decade of mediocre performance. But last year these midsize stocks outperformed the S&P 500 by 12%. The group beats the S&P by 4% so far this year. If market leadership is changing, this may be the start of a new rally in midsize stocks.

Performance of medium capitalization stocks net of the S&P 500



The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	0.6%	15.3%	-2.8%
Sharpe/Barra Growth index[1]	0.1	15.7	-5.8
Sharpe/Barra Value index[2]	1.5	14.1	-1.0
Dow Jones industrials	0.6	14.2	-0.9
S&P 500	0.8	11.8	-2.6
NYSE	0.6	12.7	-2.4
Nasdaq	0.6	34.7	-2.9
Amex	-2.0	13.9	-4.0
EAFE[3]	-3.2	-11.6	-27.3
CRB index[4,5]	0.7	-3.6	-22.2
Gold[5]	-3.5	-6.7	-32.6
Yen[5]	1.3	-1.5	-18.6
Oil[5]	4.0	-4.2	-53.1

The best and worst performing stocks[6]

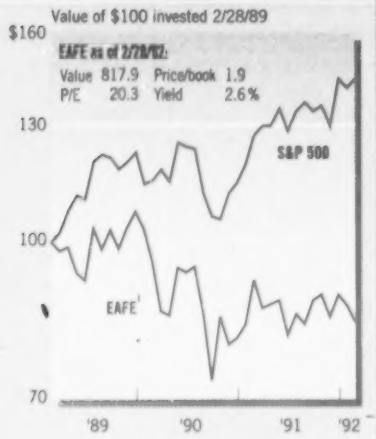
Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Qual-Med	20 ¾	32%	$1.50	Chambers Development	10⅜	-68%	$1.06
Oakwood Homes	24 ½	31	1.27	Landmark Graphics	12½	-33	1.26
One Price Clothing Stores	16 ¾	29	0.87	Birtcher Medical Sys	12½	-32	0.53
JB Hunt Transport Svcs	25	26	1.65	Transco Energy	12	-31	1.28
Duty Free International	52 ½	25	1.32	Spartan Motors	23¾	-29	1.34

The best and worst performing industry factors[6,8]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Forest products	10.0%	45.5%	Photographic, optical	-9.6%	-20.7%
Motor vehicles	8.1	31.3	Precious metals	-7.6	-10.7
Real estate	6.4	9.6	Oilfield service	-6.4	-19.5
Hotels, restaurants	4.4	17.3	Pollution control	-4.6	-3.0
Trucking	4.2	14.6	Aerospace	-3.9	-8.8

Note: Data for period ending 3/19/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

Foreign vs. U.S. markets



Developed markets

Market	Total return[2] 3 months	12 months	P/E
Hong Kong	23%	49%	14
France	14	8	15
Austria	11	-14	30
Belgium	11	1	12
Germany	11	2	16
Japan	-10	-18	32
Australia	-2	15	17
New Zealand	-2	4	12
Denmark	-2	-4	NM
Canada	1	5	42

Emerging markets[1]

	Total return[2] 3 months	12 months	P/E
Region			
Latin America	17%	135%	NA
Asia	10	20	NA
Country			
Colombia	151	292	27
Brazil	58	163	10
Turkey	44	-33	13
Zimbabwe	-29	-58	7
Korea	-10	-1	18
Chile	-4	76	2

Has Japan's Nikkei hit bottom? Perhaps not. Shuzo Ezura, head of Japanese equity sales at W.I. Carr (America) Ltd., a stock brokerage firm specializing in Asian markets, is pessimistic. Ezura cites Japan's government scandals, political uncertainties and declining corporate earnings.

Hong Kong's 12-month total return of 49% (in U.S. dollars) is the best of any developed market. Chris Thompson, managing director of W.I. Carr, points to the colony's pivotal role in the opening up of trade between southern China and the West. With Hong Kong's economy expected to grow at 7.5% in 1992 and with its large infrastructure development, Thompson thinks this market—which is selling at 11 times estimated 1992 earnings—is still cheap.

Colombia is the best-performing emerging market over the last three months. Hector Chaves, the Bogota Stock Exchange's head of statistics, credits such recent government measures as permitting the creation of domestic institutional pension funds and allowing foreigners to own mutual funds containing Colombian stocks.

Who's hot

Company/Country	Business	Price	3-month price change	P/E
Magna Intl/Canada	auto parts	23	42%	46
Steetley/UK	misc materials	6⅝	40	19
Malayan Banking/Malaysia	banking	3	37	24
New World Devel/Hong Kong	real estate	2	34	18
Club Mediterranee/France	leisure, tourism	96	33	30

Who's not

Company/Country	Business	Price	3-month price change	P/E
Lonrho/UK	conglomerate	2	-47%	8
Tokai Bank/Japan	banking	9⅛	-32	55
Bow Valley Inds/Canada	energy	8½	-32	67
Toyoda Automatic Loom/Japan	machinery	12⅛	-28	25
Alberta Energy/Canada	energy	9	-27	35

Cheap foreign stocks

Company/Country	Business	Price	Earnings	P/E
Banco Bilbao Vizcaya/Spain	banking	28½	$4.41	6
Alcatel Alsthom/France	electronics	109⅜	8.74	13
Unilever NV/Netherlands	food, home prods	101½	7.37	14
SmithKline Beecham/UK	personal care	16⅛	0.84	19
Continental/Germany	tires	147¼	6.78	22

High-yielding foreign stocks

Company/Country	Business	Price	Yield	P/E
T&N/UK	industrial prods	2	12.8%	16
Volmac Software/Netherlands	computer software	15⅝	8.3	12
BASF/Germany	chemicals	153½	8.1	10
Esso/France	energy	123½	7.6	16
Electrabel/Belgium	utility	147	7.5	10

Note: Data for period ending 2/28/92. Selected stocks have a market capitalization of at least $300 million. [1]Shows price return on the EAFE index of European, Australian, New Zealand and Far Eastern stocks converted into U.S. dollars. [2]Performance numbers reflect both local price change and currency fluctuation. Dividends are reinvested after subtracting foreign withholding tax. [3]For period ending 1/31/92. NA: Not available. NM: Not meaningful. Principal source: Morgan Stanley Capital International Perspective. Emerging markets data provided by International Finance Corporation.

whole (as measured by the S&P 500).

Royce likes to buy good companies whose earnings growth has faltered and whose stocks have been hit as the growth crowd flees on bad news. He looks for companies that he thinks can sustain earnings growth of 10% to 15% over several years.

Right now Royce is buying three oil and gas related stocks. One is oil and gas dealer Helmerich & Payne, which, at a recent 21, trades at about book value and at 24 times 1991's depressed earnings of 88 cents a share. Royce expects the company to earn $3 per share by 1995.

Another play is Offshore Logistics, a helicopter operator serving the oil and gas business. It recently traded at 7½ and its book value is $6 per share; cash alone is $2 a share.

Then there's Vallen Corp., a distributor of industrial safety equipment, including fire extinguishers, goggles and face masks used in the oil and gas industries. Vallen's earnings were flat last year, after previously growing at a 20%-per-year clip. Royce recently picked up the stock at around $21 per share and expects earnings to grow by 15% in 1993.

Another equipment maker Royce likes is Manitowoc, a manufacturer of heavy-lift cranes and ice machines. The company has cut costs, and its order backlog for cranes is climbing. Royce is buying the stock at $21 per share and expects it to earn up to $4 a share by 1995.

Royce says he gets many of his stock ideas from personal observation. He bought into clothing maker State-O-Maine (FORBES, *Nov. 25, 1991*) at $10 after purchasing one of its Nautica windbreakers. Recent price, 24.

When he noticed the proliferation of ads for home equity loans, Royce bought some companies selling a necessary ingredient, title insurance: Allegheny Corp., Old Republic, Fidelity National Financial and Lawyers Title. Gain on his group of title insurance companies: 40%.

If you want to bet on small-capitalization stocks, a small-cap value fund, such as Pennsylvania Mutual or the ones featured in the table, is a safer place to put your money than Hartwell Emerging Growth and other funds whose big gains last year are unlikely to be repeated in the year ahead. ■

A little-known fact about variable annuities is that their performance is second-rate. The problem is the dead weight of high fees.

How well did your annuity do?

By Eric S. Hardy

EVER SINCE the 1986 tax law reduced the tax benefits of Individual Retirement Accounts, investors have piled into variable annuities for tax-deferred investing. Taxes on earnings from a variable annuity are deferred until the holder cashes in the investment or turns age 59½, whichever comes sooner.

Last year variable annuity sales leaped 64%, to $10.7 billion. Some stockbrokers are selling more of these things than they sell mutual funds. Mutual fund sponsors such as Vanguard, Fidelity and Scudder, Stevens & Clark are getting in on the act, too, by teaming up with insurance companies to package new annuity products.

Are investors maybe just a little too eager to buy annuities? It sure looks that way.

This magazine has always been more skeptical than most about tax-deferred annuities (FORBES, *Sept. 2, 1991*). Our objections have been on the grounds that annuities come with steep annual fees, which are likely to cut deeply into performance over the long pull.

We can now back up those objections with hard data covering a meaningfully long measurement period, courtesy of Morningstar, the Chicago fund-rating firm. Annuity performance is indeed weak.

The table opposite tells the story. This is a ranking of five-year results for the 20 largest equity annuities, ranked by assets five years ago. Average performance of these big pools: a compound annual 9.4%, considerably worse than the 11.2% you could have had investing in an index fund. Tax deferral, it seems, comes at a price.

That 9.4% annual return, moreover, doesn't even incorporate sales loads. These loads usually come in the form of back-end surrender charges that start as high as 7% and usually fall to zero within seven years. On top of this, people who cash out before age 59½ pay a 10% federal tax penalty on profits.

Don't expect your stockbroker to tell you about the disappointing real-world results of the average annuity. No disclosure law compels him to. If he's trying to sell you one of the annuities that happen to have an excellent record, such as Equitable's Aggressive Stock portfolio, you'll be told about its record. But you won't be told about how flukish that record is. Note that only 3 of the 20 variable annuities in the table beat the Vanguard index fund.

Even averages can be deceptive to look at. Suppose you tried to get a fix on how well the average annuity did by looking at the largest portfolios as of the end of the performance period, rather than the beginning. That list would be very different from the one shown, and the numbers would look a lot better: an average compound annual return of 10.6%.

But this average has an upward bias. It's the best performers that are most likely to make their way onto the second list, both because the performance boosts the portfolio and because winners tend to attract new

The costs outweigh the benefits

Fund/sponsor	City, state	1991 assets ($mil)	Performance* 1 year	Performance* 5 years annualized	Annual expenses per insurance	Annual expenses $100 other
Equitable Equi-Vest Aggressive Stock/Equitable	New York, NY	$508	49.7%	18.0%	$1.34	$0.51
Security Benefit Variflex Income-Growth/Security Benefit	Topeka, KS	300	24.9	11.8	1.20	0.86
Anchor National Pathway II Growth/Anchor National	Los Angeles, CA	541	18.5	11.3	1.30	0.62
Equitable Equi-Vest Common Stock/Equitable	New York, NY	991	17.6	10.8	1.49	0.40
Hancock Accommodator Stock/John Hancock	Springfield, MA	174	11.3	10.7	1.00	0.30
Aetna VA Account C Variable/Aetna	Hartford, CT	2,035	13.2	10.5	1.25	0.30
MFS/Sun Compass 2 Capital/Sun Life of Canada (US)	Boston, MA	383	21.6	10.3	1.30	NA
Anchor National ICAP II Growth/Anchor National	Los Angeles, CA	212	23.5	10.2	1.40	0.90
Prudential VIP-86 Common Stock/Prudential	Newark, NJ	70	15.8	9.5	1.20	0.52
Security Benefit Variflex Growth/Security Benefit	Topeka, KS	157	20.3	9.3	1.20	0.87
Lincoln National Multi-Fund Growth/Lincoln National	Fort Wayne, IN	590	11.0	9.2	1.00	0.77
Anchor National Pathway II Growth-Income/Anchor National	Los Angeles, CA	650	14.2	8.6	1.30	0.59
First Capital VIP Equity Fund/First Capital	San Diego, CA	107	21.8	8.5	1.22	0.91
New York Life Facilitator Common Stock/New York Life	New York, NY	91	22.9	8.4	1.75	0.27
Lincoln National Multi-Fund Special Opp/Lincoln National	Fort Wayne, IN	133	20.1	8.3	1.00	0.77
Mutual of America Separate Acct 2 Stock/Mutual of America	New York, NY	41	12.0	8.1	1.00	0.50
Best of America IV/Nationwide Common Stock/Nationwide	Columbus, OH	92	23.7	7.7	1.30	0.53
Travelers Universal Annuity Growth/Travelers	Hartford, CT	333	11.0	7.2	1.25	0.32
MFS/Sun Compass 1 Mass Capital/Sun Life of Canada (US)	Boston, MA	32	8.6	6.1	1.30	NA
VALIC Separate Acct A Mid Cap Index/Variable Annuity Life	Houston, TX	91	11.7	4.0	1.00	0.67
Vanguard Index-500 Portfolio/Vanguard Group	Valley Forge, PA	3,044	15.7	11.2	none	0.19

*Total return through February 1992. NA: Not available.
Source: Morningstar.

In 1986 these were the largest variable stock annuities, based on asset size. Even factoring in the tax-deferral feature, the long-term performance of these annuities does not justify their popularity.

customers. A kind of self-fulfilling prophecy sets in.

The prospectus always says, "Past performance is no guarantee of future results." Take this to heart. Past performance is scarcely even an indicator of future results. Put little stock in it, unless the record stretches back over several market cycles and was compiled by a fund manager who is still around. Unfortunately, that rules out much of the variable annuity industry, which took off only after the 1986 tax act.

Still interested in tax-deferred annuities? If so, pay a lot of attention to fees and expenses. Annual expense deductions go a long way toward explaining why the typical large annuity underperformed Vanguard's index fund by almost two points a year, as shown in our table.

Most of the annual fee takes the form of an insurance premium, a so-called mortality charge. Remember that these products come wrapped in a thin veneer of insurance, in order to maintain their favored tax status. With these annuities, the life insurance guarantees that if you die before cashing in the annuity, your heirs will get the higher of the annuity's current value or the amount you originally invested.

If you happen to be very sick and planning to invest in a very volatile portfolio, this guarantee is worth something to you. Otherwise it's not worth much.

The two annuities from Sun Life (Canada) on this list charge a stiff 1.3% of assets annually as a mortality charge. For $13,000 a year—the fee on a $1 million investment—you can buy a lot of life insurance and buy a fund that does not levy an insurance premium.

Massachusetts Financial Services, the Sun Life subsidiary that manages those annuities, will not disclose the underwriting results of its mortality charges. "We consider that proprietary information," says Massachusetts Financial Services spokesman John Reilly.

And remember this: The earnings on the investment are not tax-exempt, just tax-deferred. Your broker may forget to figure in the taxes due at withdrawal when illustrating the tax advantages.

Annuities can be a wise investment, but the conditions have to be just right. You have to keep your expenses low, and you have to be pretty sure you can hang in long enough for the tax deferral to amount to something—usually about ten years. And you have to be certain you won't need the money before you reach the age of 59½. Fees are bad enough; tax penalties are dreadful.

Sales

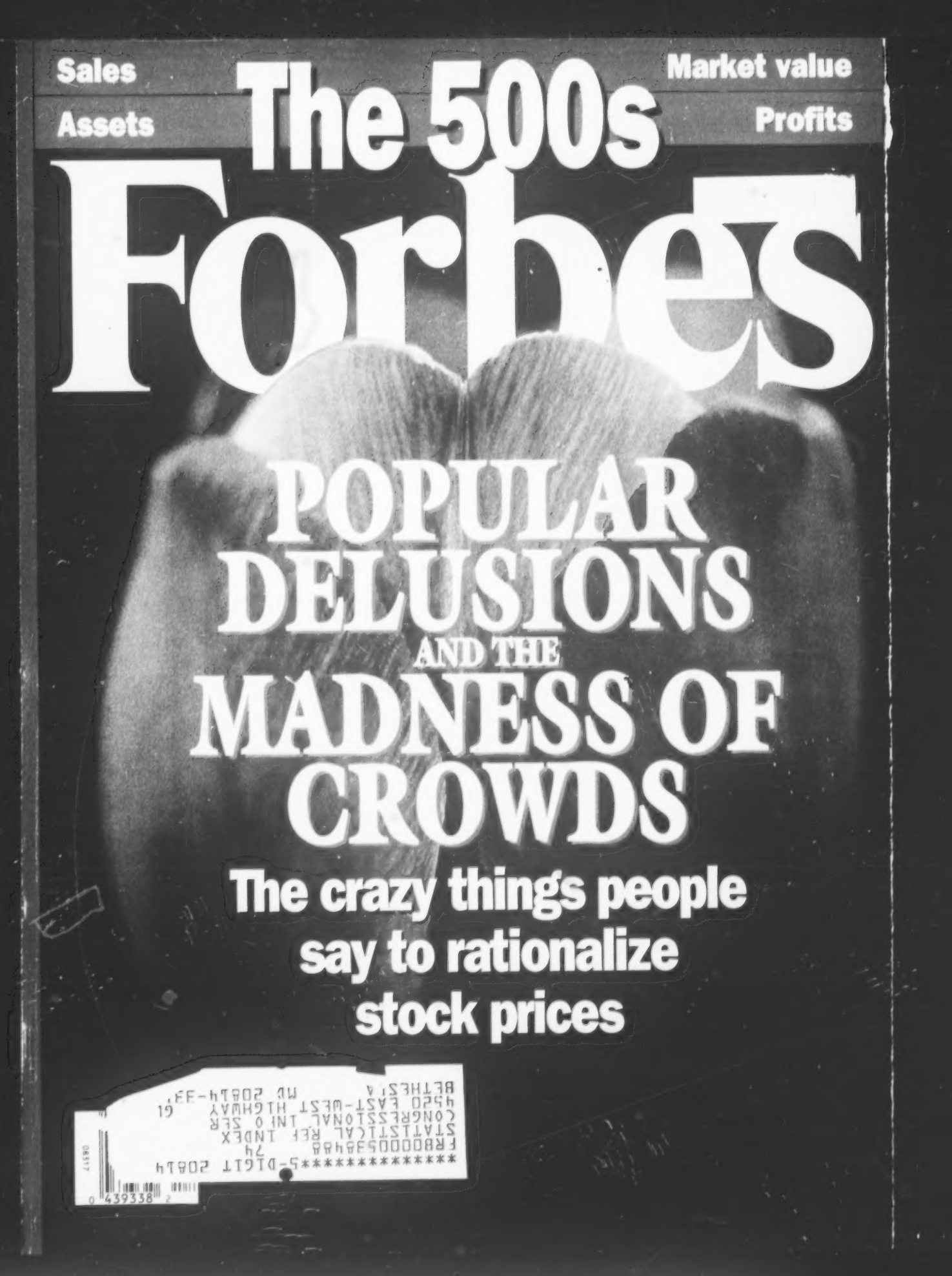
Assets

The 500s

Market value

Profits

Forbes



POPULAR DELUSIONS AND THE MADNESS OF CROWDS

The crazy things people say to rationalize stock prices

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Cover photo by Gary Cralle/Image Bank

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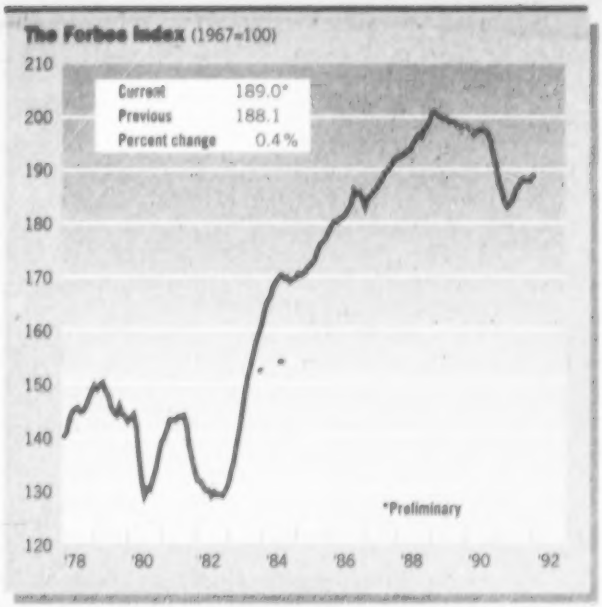
THE FORBES INDEX

BY TIMOTHY DODMAN



The economy is building a base for a recovery. Consumers increased their spending in February by 0.6% after inflation, the fourth consecutive monthly increase. Average weekly earnings rose slightly in March, to $365, with the bulk of the wage increase going to manufacturing employees. Also encouraging is the National Association of Purchasing Managers Index, which tracks the activity of purchasing executives at U.S. factories. In March this index rose 1.7%, to 54%. A figure above 50% is generally consistent with an expanding manufacturing sector.

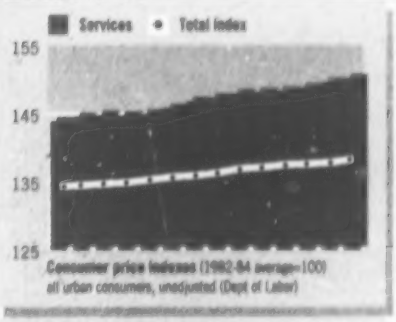
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	0.7%
Index of leading indicators Feb vs Jan	Dept of Commerce	0.8%
Trade balance 12 months ended Jan 1992	Dept of Commerce	-$71 bil
All-commodity producer price index Feb vs Jan[2]	Dept of Labor	0.4%
GDP 4th quarter vs 3rd—annualized growth	Dept of Commerce	0.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	4.1%

[1] U.S.-based manufacturers, excludes imports, as of 3/31/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

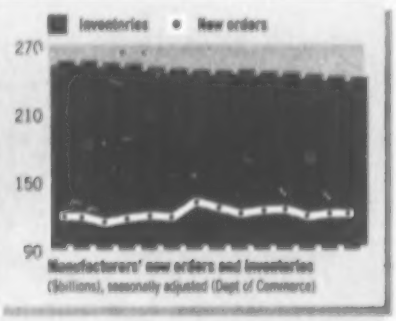
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

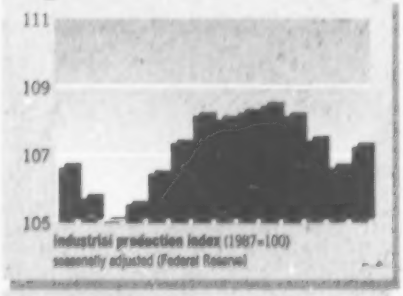
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

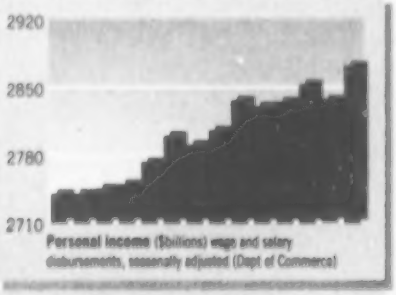


Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

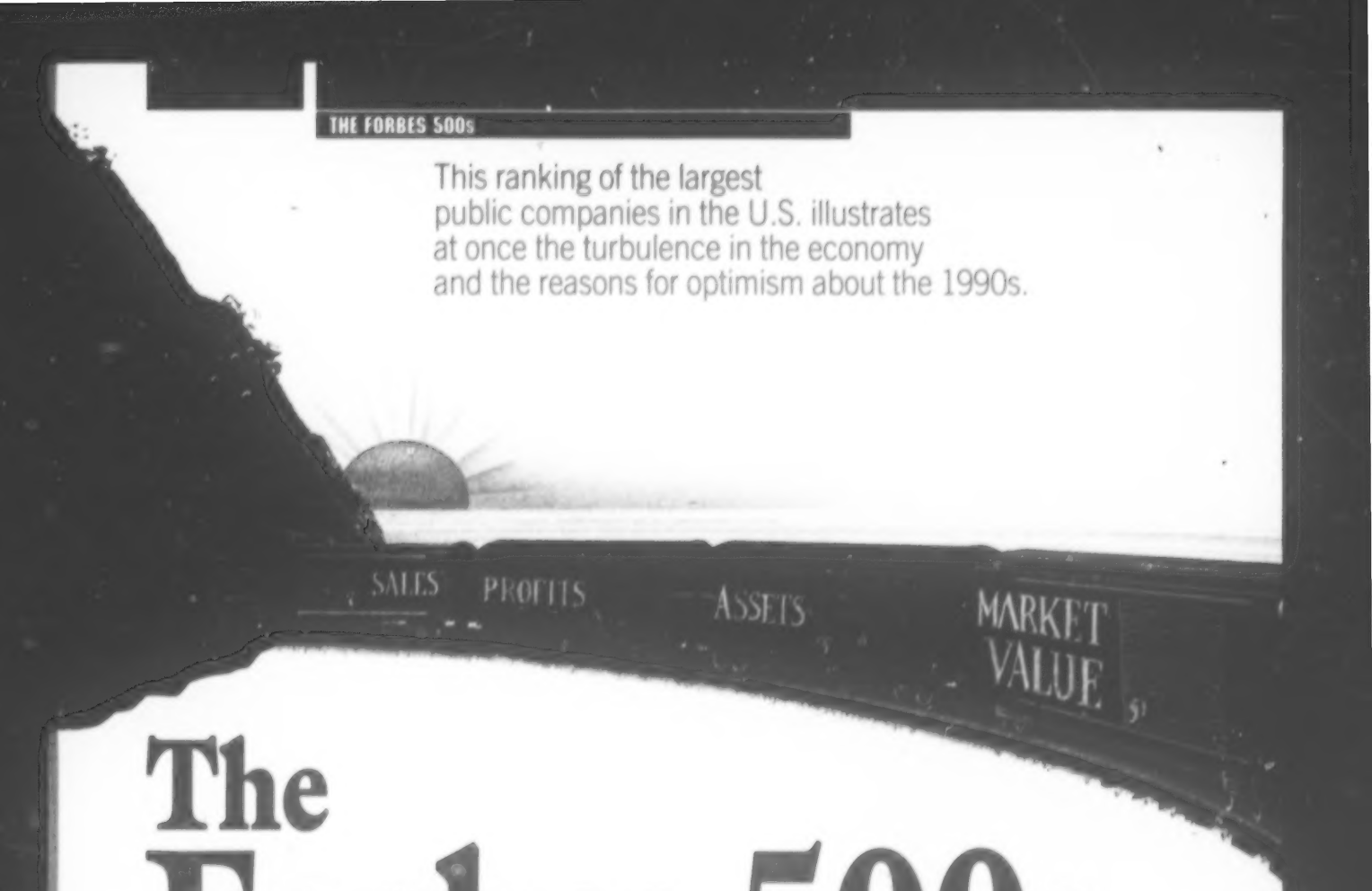
New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

J F M A M J J A S O N D J F J F M A M J J A S O N D J F J F M A M J J A S O N D J F

This ranking of the largest public companies in the U.S. illustrates at once the turbulence in the economy and the reasons for optimism about the 1990s.



The Forbes 500s Annual Directory

By Carol M. Cropper

How the numbers are calculated

TO QUALIFY for a Forbes 500 listing, a company must be publicly traded as of Mar. 20, 1992. It must have its headquarters in the U.S. and must be one of the 500 largest corporations by sales, net profits, assets or market value. Private firms, mutual companies and cooperatives are excluded. If a corporation's results are consolidated by another Forbes 500 company, FORBES ranks only the parent.

Fiscal year-end results are used for companies with fiscal years ending in December and January and, where available, February. For all other firms, sales, profits and cash flows are for the latest 12 months. Market value is based on the Mar. 20 closing stock price and is calculated by multiplying this price by the total number of shares outstanding for all classes of common stock.

Operating revenues are used for sales. For banks this includes gross interest income plus other operating income. Net profit excludes extraordinary items but includes earnings from discontinued operations. Cash flow is net profits plus depreciation and amortization. ■

Sales	**196**
Profits	**206**
Assets	**235**
Market value	**248**
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AS A GROUP, America's biggest corporations posted their third straight year of declining profits in 1991—the first time this has happened since we began publishing the Forbes 500s in 1969. Some will see this as evidence that the economy has lost its ability to innovate and compete. FORBES sees it as the kind of periodic slump from which capitalistic economies generally emerge revitalized and ready to grow again.

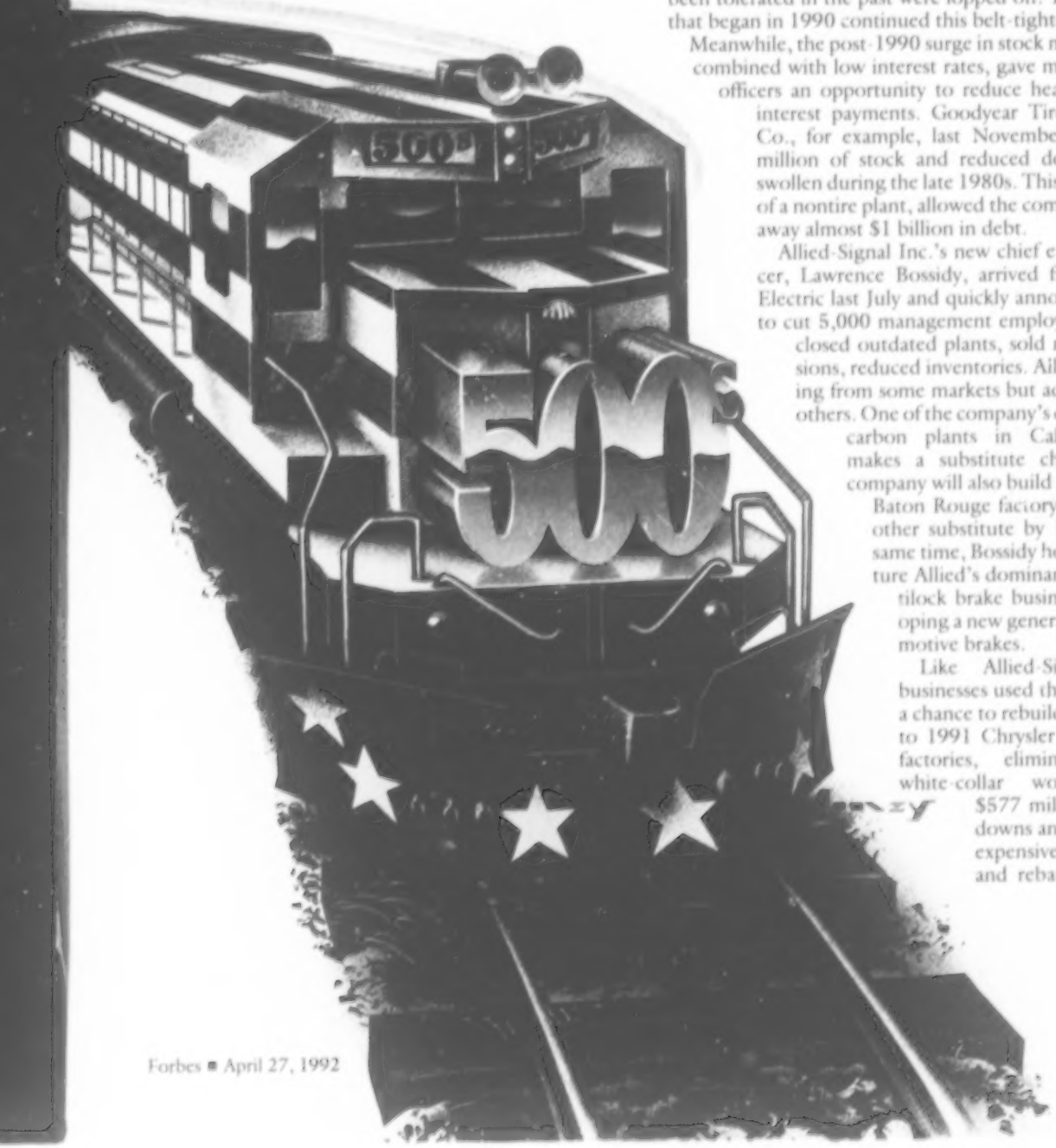
Indeed, a recovery appears already to be under way. For the last few months home sales and residential construction starts have been inching up from their lows. Retail sales began to follow in January and February. Industrial production is up 2.1% since March of last year. The M2 money supply—which measures public currency and checking deposits plus savings accounts and money market funds—has grown by 0.8% since last October. This may turn out to be enough to stimulate the economy without pushing up living costs. The cost of living has increased only 2.8% from a year ago. Wall Street, anticipating the recovery, has raised share prices 15% from a year ago.

The eight years of economic expansion between 1982 and 1990 were marked by an unusual degree of corporate slimming down, as the country's biggest employers struggled to be competitive. Unprofitable divisions that had been tolerated in the past were lopped off. The recession that began in 1990 continued this belt-tightening.

Meanwhile, the post-1990 surge in stock market prices, combined with low interest rates, gave many financial officers an opportunity to reduce heavy debt and interest payments. Goodyear Tire & Rubber Co., for example, last November sold $600 million of stock and reduced debt that had swollen during the late 1980s. This, and the sale of a nontire plant, allowed the company to wipe away almost $1 billion in debt.

Allied-Signal Inc.'s new chief executive officer, Lawrence Bossidy, arrived from General Electric last July and quickly announced a plan to cut 5,000 management employees. He also closed outdated plants, sold noncore divisions, reduced inventories. Allied is retreating from some markets but advancing into others. One of the company's chlorofluorocarbon plants in California now makes a substitute chemical. The company will also build a $40 million Baton Rouge factory to make another substitute by 1994. At the same time, Bossidy hopes to recapture Allied's dominance in the antilock brake business by developing a new generation of automotive brakes.

Like Allied-Signal, other businesses used the recession as a chance to rebuild. From 1989 to 1991 Chrysler closed seven factories, eliminated 5,400 white-collar workers, took $577 million in write-downs and relied upon expensive promotions and rebates to sell its



The Super 50

Rank 1991	Rank 1990	Company	Where they rank: Sales	Profits	Assets	Market value	Sales ($mil)	Profits ($mil)	Assets ($mil)	Market value ($mil)
1	1	General Electric	6	2	4	3	60,236	4,435.0	168,259	67,617
2	2	Exxon	2	1	16	2	102,847	5,600.0	87,560	67,958
3	4	Philip Morris Cos	9	3	30	1	48,064	3,927.0	47,384	70,944
4	6	Mobil	8	6	40	19	56,042	1,920.0	42,187	23,301
5	11	Sears, Roebuck	7	22	11	36	57,242	1,278.9	102,801	16,245
6	8	El du Pont de Nemours	11	16	45	13	38,151	1,403.0	36,117	30,997
7	13	GTE	26	10	39	14	19,621	1,580.0	42,437	27,349
8	12	American International Group	35	12	19	30	16,884	1,553.0	69,389	19,104
9	15	Federal National Mortgage Assn	46	15	5	31	13,347	1,455.4	147,072	17,712
10	7	Chevron	13	21	47	22	36,461	1,293.0	34,636	21,917
11	17	Procter & Gamble	18	7	74	10	28,229	1,787.0	23,733	34,053
12	5	American Telephone & Telegraph	5	75	26	7	63,089	522.0	53,355	53,223
13	10	Amoco	20	23	58	21	25,325	1,173.0	30,510	22,025
14	28	American Express	19	43	6	60	25,763	789.0	146,441	10,506
15	26	Wal-Mart Stores	10	9	108	4	43,887	1,608.5	15,443	61,186
16	16	BellSouth	41	13	57	23	14,446	1,506.9	30,942	21,658
17	14	Texaco	12	20	66	42	37,271	1,294.0	26,182	14,736
18	22	BankAmerica	60	27	8	68	12,268	1,124.0	115,509	9,904
18	23	PepsiCo	27	30	91	15	19,608	1,080.2	18,783	25,942
20	19	Dow Chemical	30	33	68	35	18,807	942.0	24,727	16,276
21	29	JP Morgan & Co	80	28	10	53	10,314	1,114.0	103,468	11,182
22	20	Bell Atlantic	59	18	63	33	12,280	1,331.6	27,882	16,733
23	21	Boeing	17	11	106	41	29,314	1,567.0	15,784	15,237
24	24	ITT	25	41	24	93	20,421	817.0	53,867	7,524
25	18	Atlantic Richfield	34	46	69	37	17,037	709.0	24,492	15,723
26	38	Kmart	14	38	104	57	34,859	859.0	15,999	10,916
27	25	Nynex	48	58	65	43	13,229	600.8	27,478	14,620
28	30	Ameritech	75	24	81	39	10,818	1,165.5	22,290	15,565
29	35	Southwestern Bell	95	25	75	32	9,332	1,156.5	23,179	17,640
30	32	Loews	51	35	43	101	12,881	904.3	39,195	7,123
31	34	Pacific Telesis Group	87	32	82	38	9,895	1,015.0	21,838	15,640
32	43	Hewlett-Packard	40	39	139	25	14,949	856.0	12,276	20,863
33	■	Merrill Lynch	57	48	17	126	12,363	696.1	86,259	5,958
33	39	Pacific Gas & Electric	91	31	77	49	9,778	1,026.4	22,901	12,736
35	44	Johnson & Johnson	56	14	167	12	12,447	1,461.0	10,513	31,984
36	31	US West	78	68	64	44	10,577	553.4	27,854	13,897
37	45	Coca-Cola	67	8	174	6	11,572	1,618.0	10,222	53,823
38	■	RJR Nabisco	39	112	54	55	14,989	368.0	32,131	11,059
39	37	Minnesota Mining & Manufacturing	47	26	161	27	13,340	1,154.0	11,083	19,777
40	■	Xerox	33	92	55	99	17,830	454.0	31,658	7,187
41	42	Bristol-Myers Squibb	72	5	195	9	11,159	2,056.0	9,416	41,627
42	33	Aetna Life & Casualty	29	82	15	164	19,196	505.2	91,988	4,816
43	46	Southern Co	115	36	78	66	8,050	876.4	22,883	10,061
44	■	Merck	110	4	191	5	8,603	2,121.7	9,499	56,865
45	■	Anheuser-Busch Cos	73	34	180	34	10,996	939.8	9,987	16,462
46	■	NationsBank	65	197	9	56	11,594	201.9	110,319	10,955
47	■	Sara Lee	54	45	185	50	12,651	714.7	9,754	12,351
47	■	Waste Management	120	56	132	26	7,551	606.3	12,572	20,547
49	50	SCEcorp	121	47	96	72	7,502	702.6	18,119	9,230
50	■	Cigna	31	94	20	192	18,750	—453.0	66,737	3,992

■ Not on Super 50 list in 1990.

aging line of automobiles. But during this upheaval Chrysler regrouped its design, engineering, manufacturing and marketing staffs into teams dedicated to specific auto platforms, and it integrated all these operations into a $1 billion engineering center in Auburn Hills, Mich. Chrysler's new Jeep Grand Cherokee—which has received excellent reviews from the automotive press—is being built in a spanking new plant on East Jefferson Avenue in Detroit. And its forthcoming line of LH midsize sedans will be assembled in a modern and virtually new Canadian factory that Chrysler inherited when it bought American Motors in 1987.

The recession in domestic markets prompted U.S. businesses to push harder for foreign sales. American merchandise exports hit a record monthly rate of $37 billion last October. At Intel, a leading microprocessor maker, foreign sales exceeded domestic business in 1991 for the first time. The liberation of Eastern Europe from communism will open new markets for American goods, services and investment.

A new free-trade agreement with Mexico will give American companies a helping hand in global competition by making it easier for them to use less expensive Mexican labor. In turn, our Mexican neighbors will become more financially capable of buying American products. "Mexico is our Indonesia," says Georgia State University economist Donald Ratajczak. "And by the way," he adds, "if we don't have an Indonesia, we won't have a manufacturing industry after a while."

Science and technology remain provinces of strength for American business, despite all our fears of Japan's prowess. Last year's stock market rewarded many biotech and technology companies. Only a handful of these startups will ever survive or grow to become Forbes 500s companies. Nevertheless, there will be winners in the 1990s to emulate the Microsofts and Apple Computers of the 1980s. This year, for example, computer manufacturer AST Research makes its Forbes 500s debut. Another newcomer is Advanced Micro Devices, the big microchip maker that has been enjoying strong orders lately.

Edward Moldt, managing director of the Sol C. Snider Entrepreneurial Center of the Wharton School, says American business still needs to do more to improve productivity, especially in the service sector. According to Moldt, service productivity has improved only slightly from where it stood 20 years ago, and this is after billions have been invested in computers. But productivity gains are slowly coming to this sector. For instance, the merger last December between Chemical Banking Corp. and Manufacturers Hanover Corp. will allow the elimination of 6,200 positions. Investment banks like Bear, Stearns headed off stampeding overhead costs after the 1989 stock market downturn.

What could stop or delay an economic turnaround in the U.S.? A prolonged slump in Japan or Europe would curb the recent growth of American exports. Another possible sticky wicket could be the availability of capital to fund expansion of small businesses, which will provide the bulk of job creation in the 1990s, according to Moldt. For companies too small to go to the stock market for financing, one of the biggest hurdles has been tight bank credit resulting in part from the recent heavy-handedness of financial regulators. Moldt says the federal deficit adds to the problem: "You've got the government competing for limited capital."

Nevertheless, a recovery is almost surely in the making. "I think when it comes it will surprise people," says Victor Zarnowitz, professor emeritus of economics and finance at the University of Chicago's graduate school of business and member of the National Bureau of Economic Research, the group that officially declares the start and end of recessions. Zarnowitz and Douglas Handler at Dun & Bradstreet both are predicting an annualized real growth rate of 3% to 4% in the gross domestic product by the second half of this year.

This year 790 companies are ranked on one or more of the four Forbes 500 lists (sales, profits, assets or market value). The Forbes 500 rankings, starting with sales, begin on page 196. The most powerful of these companies, The Super 50, are the Forbes 500s companies with the highest composite rankings from all four lists. The Super 50 are listed on page 192. Note the rapid advancement up the rankings for some companies, such as Kmart and Merrill Lynch, and sharp retreats for others. Such movement is the sure sign of a dynamic economy.

Making the 500s

Sales		
1981	$1,092	Raymond Intl
1991	1,585	Merisel
Profits		
1981	55.4	Stanley Works
1991	58.8	Cisco Systems
Assets		
1981	1,706	National Distillers
1991	2,632	Multibank Financial
Market value		
1981	459	Dayton Power & Light
1991	1,345	Huntington Bancshares

All figures are in millions of dollars.

The minimum cutoffs and the last-ranked firms now and a decade ago.

The grand totals

Category	1991 total	Change over 1990	5-year growth rate
Sales 500	$3.5 trillion	1.5%	6.6%
Profits 500	155 billion	-9.5	2.1
Assets 500	7.6 trillion	2.6	6.3
Market value 500	3.0 trillion	16.2	11.4
Total employment of 500s companies	20.8 million	0.9	0.2

The earnings of the Forbes Profits 500 fell 9.5% while the Sales 500 and Assets 500 lagged inflation. But the Market value 500 rose 16% over the last 12 months.

With the economy in a recession last year and consumers reluctant to spend, many of the Sales 500 companies shrank.

THAT THE ECONOMY was in the midst of a painful downturn in 1991 is evident by the aggregate results of the Forbes Sales 500. Last year the group's combined revenues came to $3.52 trillion, a gain of only 1.4% from 1990. But if inflation isn't the scourge it used to be, it hasn't entirely disappeared. The Consumer Price Index rose 3.1% in 1991. Wring this factor out of that aggregate sales figure, and the total revenues of this list actually shrank.

By sales, General Motors is the top-ranked company for the seventh straight year, with $123 billion in revenues, a 1.3% decline from 1990. Operating far below its break-even point, GM lost a record $5 billion in 1991. Both Ford and Chrysler also posted lower sales and massive losses.

The landscape was not uniformly bleak. Wal-Mart, which operates warehouse-size discount stores, maintained a trend it established in the 1970s and posted revenue and profit increases last year. Same-store sales at Wal-Mart rose 10% in the year ended January 1992; new-store openings brought the retailer's total sales to $44 billion, a 34% increase over last year.

Among other big winners last year: Home Depot—which is to the household handyman what Wal-Mart is to the household bargain hunter—racked up a 35% revenue gain. Microsoft, propelled by its highly successful Windows 3.0 and MS-DOS 5.0 software, scored a 54% increase in sales. The software giant just announced its intention to acquire Ohio-based Fox Software later this year.

Reduced loan demand, lower interest rates and asset shedding contributed to revenue declines for several large banks. Citicorp's revenues fell 17%, to $32 billion. Chemical Banking Corp.—formed from the December 1991 merger of Chemical and Manufacturers Hanover—shows an 11% decline in restated 1991 revenues.

Only a handful of firms grew their way onto the Sales 500 last year. Among them: Mattel, US Healthcare and Conner Peripherals. Federated Department Stores returned to this list after emerging from Chapter 11 with a reinjection of equity. IBP, ranked 79th, was added to the list after Occidental Petroleum—which used to consolidate IBP's results—sold off its remaining 50% share in IBP in September. Pushed by dealmaker Carl Icahn, USX, the old U.S. Steel Corp., divided its stock into two separate issues: USX-Marathon, ranked 58th, and USX-US Steel, ranked 191st. Varity Corp. and Manpower Inc. moved their corporate headquarters to the U.S. last year and thus qualify for these rankings for the first time.

–ERIC S. HARDY

Rank 1991	Rank 1990	Company	Sales ($mil)	% change
1	1	General Motors	123,056	–1.3
2	2	Exxon	102,847	–2.5
3	3	Ford Motor	88,286	–9.6
4	4	IBM	64,792	–6.1
5	13	American Tel & Tel	63,089	1.4

Winners

Rank 1991	Rank 1990	Company	Sales ($mil)	% change
388	■	Ball Corp	2,267	67.1
312	445	Loral	2,870	60.4
384	■	Microsoft	2,276	54.0
400	496	Intelligent Electronics	2,173	41.7
404	499	Hasbro	2,141	40.9

■ Not on 500 list in 1990.

Losers

Rank 1991	Rank 1990	Company	Sales ($mil)	% change
84	22	Occidental Petroleum	10,096	–53.5
190	122	Union Carbide	4,877	–36.0
397	273	MNC Financial	2,194	–32.9
381	281	Continental Bank	2,301	–25.0
474	398	Penn Central	1,669	–22.5

Rank 1991	Rank 1990	Company	Sales ($mil)	% change
6	5	General Electric	60,236	3.1
7	7	Sears, Roebuck	57,242	2.3
8	6	Mobil	56,042	–3.1
9	8	Philip Morris Cos	48,064	8.4
10	14	Wal-Mart Stores	43,887	34.0
11	10	El du Pont	38,151	–3.9
12	9	Texaco	37,271	–8.9
13	11	Chevron	36,461	–5.6
14	15	Kmart	34,859	7.8
15	12	Citicorp	31,839	–17.1
16	16	Chrysler	29,370	–4.1
17	18	Boeing	29,314	6.2
18	19	Procter & Gamble	28,229	9.2
19	20	American Express	25,763	5.9
20	17	Amoco	25,325	–9.6
21	25	Kroger	21,351	5.4
22	23	United Technologies	20,840	–2.8
23	21	American Stores	20,823	–6.0
24	30	ConAgra	20,459	9.4
25	24	ITT	20,421	–0.9
26	31	GTE	19,621	6.8
27	35	PepsiCo	19,608	10.1
28	29	Eastman Kodak	19,419	2.7
29	28	Aetna Life & Cas	19,196	0.9
30	26	Dow Chemical	18,807	–4.9
31	32	Cigna	18,750	3.2
32	37	McDonnell Douglas	18,448	13.5
33	34	Xerox	17,830	–0.8
34	33	Atlantic Richfield	17,037	–5.4
35	38	American Intl Group	16,884	7.5
36	36	JC Penney	16,201	–1.0
37	40	Dayton Hudson	16,115	9.3
38	39	Safeway	15,119	1.7
39	43	RJR Nabisco	14,989	8.0
40	47	Hewlett-Packard	14,949	10.4
41	42	BellSouth	14,446	0.7
42	49	Digital Equipment	14,238	8.9
43	■	Chemical Banking	14,145	–10.6
44	41	Tenneco	13,662	–5.9
45	48	Enron	13,520	2.7
46	53	Fed Natl Mortgage	13,347	4.9
47	50	Minn Mining & Mfg	13,340	2.4
48	46	Nynex	13,229	–2.6
49	60	Fleming Cos	12,902	8.1
50	63	AMR	12,887	10.0
51	62	Loews	12,881	9.2
52	52	Westinghouse	12,794	–0.9
53	51	International Paper	12,703	–2.0
54	59	Sara Lee	12,651	3.8
55	45	Phillips Petroleum	12,604	–7.3
56	70	Johnson & Johnson	12,447	10.8
57	71	Merrill Lynch	12,363	10.3
58	■	USX-Marathon	12,313	–7.3
59	58	Bell Atlantic	12,280	–0.1
60	57	BankAmerica	12,268	–0.4
61	64	Time Warner	12,021	4.4
62	44	Chase Manhattan	11,840	–13.4
63	56	Allied-Signal	11,831	–4.1
64	72	UAL	11,663	5.7
65	■	NationsBank	11,594	–3.0
66	67	Great A&P Tea	11,591	1.8
67	81	Coca-Cola	11,572	13.0
68	55	Rockwell Intl	11,550	–7.1
69	54	Georgia-Pacific	11,524	–9.0
70	68	Travelers	11,377	0.6
71	74	Motorola	11,341	4.2
72	80	Bristol-Myers Squibb	11,159	8.3
73	75	Anheuser-Busch Cos	10,996	2.4
74	69	Goodyear	10,907	–3.2
75	77	Ameritech	10,818	1.5
76	65	Super Valu Stores	10,744	–6.7
77	84	May Dept Stores	10,615	5.5
78	87	US West	10,577	6.2
79	■	IBP	10,388	2.0
80	78	JP Morgan & Co	10,314	–1.4
81	85	Winn-Dixie Stores	10,203	2.4
82	61	Sun Co	10,183	–13.8
83	66	Caterpillar	10,182	–11.0
84	22	Occidental Petroleum	10,096	–53.5
85	98	Delta Air Lines	10,020	15.1
86	88	Woolworth	9,914	1.3
87	89	Pacific Telesis	9,895	1.8
88	99	Melville	9,886	13.8
89	76	Alcoa	9,884	–7.7
90	86	Lockheed	9,809	–1.5
91	90	Pacific G&E	9,778	3.3
92	103	McKesson	9,711	16.5
93	73	Unocal	9,685	–9.0
94	91	Coastal Corp	9,549	–0.5
95	93	Southwestern Bell	9,332	2.4
96	100	Lincoln National	9,304	10.2
97	92	Raytheon	9,274	0.1
98	96	Salomon	9,175	2.6
99	97	Ashland Oil	9,135	–1.4
100	79	Security Pacific	8,922	–13.6
101	108	Baxter International	8,921	10.1
102	95	Monsanto	8,864	–1.5
103	101	Archer Daniels	8,801	4.9
104	102	Sprint	8,780	5.2
105	82	General Dynamics	8,751	–14.0
106	94	Weyerhaeuser	8,702	–3.6
107	83	Unisys	8,696	–14.0
108	105	Albertson's	8,680	5.6
109	106	CSX	8,636	5.3
110	119	Merck	8,603	12.1
111	113	Sysco	8,469	7.7
112	117	MCI Communications	8,433	9.8
113	104	American Brands	8,379	1.3
114	120	Marriott	8,331	9.0
115	110	Southern Co	8,050	0.9
116	107	TRW	7,913	–3.1
117	112	Textron	7,840	–1.0
118	126	General Mills	7,607	8.2
119	116	Federal Express	7,573	–1.5
120	155	Waste Management	7,551	25.1
121	124	SCEcorp	7,502	4.2
122	125	Ralston Purina	7,448	3.8
123	114	Emerson Electric	7,443	–3.7
124	121	Borden	7,235	–5.2
125	131	Amer Home Prods	7,079	4.5
126	118	Deere & Co	7,069	–7.9
127	■	Federated Dept Strs	7,052	NA
128	127	Union Pacific	7,029	0.9
129	129	Halliburton	7,019	1.6
130	142	Pfizer	6,950	8.5
131	149	Walgreen	6,901	11.3
132	168	Price Co	6,890	22.3
133	151	Abbott Laboratories	6,877	11.7
134	111	Bankers Trust NY	6,844	–13.6
135	133	Transamerica	6,815	1.7
136	159	Morgan Stanley	6,785	15.6
137	137	Texas Instruments	6,784	3.3
138	141	Kimberly-Clark	6,777	5.8
139	136	Whirlpool	6,770	2.2
140	135	McDonald's	6,695	0.8
141	154	Walt Disney	6,627	9.6
142	150	Primerica	6,608	6.7
143	130	Pacific Enterprises	6,599	–4.7
144	123	Fluor	6,580	–10.2
145	139	HJ Heinz	6,553	0.8
146	138	USAir Group	6,514	–0.7
147	163	Apple Computer	6,496	13.2
148	171	Food Lion	6,439	15.3
149	182	Humana	6,344	20.6
150	181	Commonwealth Ed	6,276	19.3
151	128	Amerada Hess	6,267	–9.8
152	144	Honeywell	6,193	–1.8
153	161	CPC International	6,189	7.1
154	148	Cooper Industries	6,163	–1.0
155	183	Limited	6,149	17.0
156	143	Campbell Soup	6,132	–3.0
157	172	Toys 'R' Us	6,124	11.1
158	153	Martin Marietta	6,075	–0.8
159	167	Colgate-Palmolive	6,060	6.5
160	132	WR Grace	6,049	–10.4
161	152	LTV	5,986	–2.5
162	164	Consolidated Edison	5,873	2.3
163	160	Wells Fargo	5,861	0.3
164	186	Kellogg	5,787	11.7
165	156	Reynolds Metals	5,730	–4.9
166	140	Lyondell Petrochem	5,729	–11.8
167	185	Eli Lilly	5,726	10.3
168	170	Wetterau	5,718	2.3
169	173	Northrop	5,694	3.7
170	157	PPG Industries	5,673	–5.8

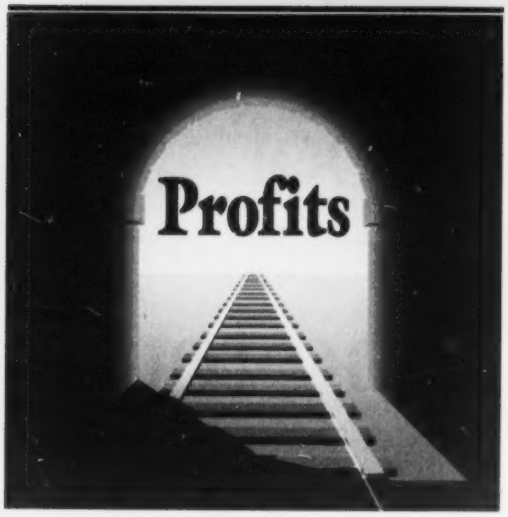
■ Not on 500 list in 1990. NA: Not available.

Rank 1991	Rank 1990	Company	Sales ($mil)	% change
171	209	Costco Wholesale	5,614	27.0
172	180	Quaker Oats	5,570	5.2
173	147	Continental Airlines	5,551	–10.9
174	189	Litton Industries	5,463	6.0
175	165	Continental Corp	5,425	–4.5
176	162	Stone Container	5,384	–6.5
177	175	Capital Cities/ABC	5,382	–0.1
178	177	Vons Cos	5,350	0.3
179	145	FPL Group	5,249	–16.5
180	232	Home Depot	5,137	34.6
181	195	Pub Svc Enterprise	5,093	6.1
182	158	First Interstate Bncp	5,093	–14.2
183	188	Ryder System	5,061	–2.0
184	199	Warner-Lambert	5,059	7.9
185	187	American Electric	5,047	–2.3
186	■	Stop & Shop Cos	5,010	0.4
187	205	American Cyanamid	4,986	9.1
188	176	Scott Paper	4,977	–7.1
189	206	Texas Utilities	4,893	7.7
190	122	Union Carbide	4,877	–36.0
191	■	USX-US Steel	4,864	–19.9
192	203	Bergen Brunswig	4,863	5.5
193	166	First Chicago	4,830	–15.2
194	210	Alco Standard	4,805	8.6
195	190	Champion Intl	4,789	–5.9
196	228	Intel	4,779	21.9
197	211	Gillette	4,684	7.8
198	194	Dun & Bradstreet	4,643	–3.6
199	193	Black & Decker	4,637	–4.0
200	213	Chiquita Brands Intl	4,627	8.3
201	204	Johnson Controls	4,626	1.0
202	198	Dresser Industries	4,607	–2.1
203	212	Household Intl	4,594	6.3
204	196	HF Ahmanson	4,592	–3.9
205	184	Dana	4,591	–12.1
206	197	Mead	4,579	–4.0
207	174	James River Corp Va	4,562	–15.8
208	200	Burlington Northern	4,559	–2.5
209	169	Bank of Boston	4,547	–18.8
210	201	Tandy	4,515	–2.3
211	214	Chubb	4,513	6.3
212	202	Norfolk Southern	4,451	–3.6
213	218	Houston Industries	4,444	6.3
214	226	Fleet/Norstar Finl	4,439	14.0
215	255	Norwest	4,420	26.9
216	208	American General	4,395	–1.9
217	192	PNC Financial	4,377	–10.3
218	221	St Paul Cos	4,352	8.7
219	219	First Union	4,321	6.2
220	191	Bethlehem Steel	4,318	–11.9
221	222	Fed Home Loan Mtg	4,262	6.6
222	178	Bank of New York	4,225	–20.8
223	207	USF&G	4,134	–8.8
224	262	Banc One	4,097	18.4
225	216	Consol Freightways	4,082	–3.0
226	227	Paramount Commun	4,069	3.8
227	224	Entergy	4,051	1.7
228	220	Coca-Cola Enterprises	4,051	0.4
229	249	Dillard Dept Stores	4,036	12.0
230	235	PacifiCorp	4,007	5.9
231	231	Tyson Foods	3,978	4.0
232	241	Philadelphia Elec	3,976	7.3
233	238	National Medical	3,973	6.2
234	223	Grumman	3,963	–0.7
235	215	Gt Western Financial	3,953	–6.2
236	217	Boise Cascade	3,950	–5.6
237	254	RR Donnelley & Sons	3,915	11.9
238	240	FMC	3,899	4.8
239	301	Rhône-Poulenc Rorer	3,824	31.1
240	245	Duke Power	3,817	3.7
241	280	Crown Cork & Seal	3,807	23.9
242	253	Tele-Communications	3,792	8.0
243	251	Dominion Resources	3,786	7.2
244	234	AMAX	3,772	–0.4
245	264	Rite Aid	3,670	8.8
246	244	TW Holdings	3,618	–1.7
247	267	Schering-Plough	3,616	8.8
248	247	Times Mirror	3,614	–0.2
249	307	JWP	3,594	27.1
250	257	Avon Products	3,593	4.0
251	269	Detroit Edison	3,592	8.6
252	239	Ingersoll-Rand	3,586	–4.1
253	■	General Cinema	3,584	–1.9
254	■	Owens-Illinois	3,575	–2.7
255	233	Navistar Intl	3,520	–7.6
256	314	Sun Microsystems	3,455	25.0
257	268	Genuine Parts	3,435	3.5
258	288	Upjohn	3,426	13.0
259	256	Cummins Engine	3,406	–1.6
260	230	Inland Steel Inds	3,404	–12.0
261	260	Service Merchandise	3,400	–1.0
262	266	Giant Food	3,397	1.5
263	242	Reliance Group	3,392	2.7
264	277	Niagara Mohawk Pwr	3,383	7.2
265	259	Gannett	3,382	–1.7
266	246	Eaton	3,381	–7.1
267	291	General Public Utils	3,372	12.5
268	261	SunTrust Banks	3,361	–1.4
269	324	National Intergroup	3,344	13.1
270	225	Fina	3,336	–16.1
271	276	Pitney Bowes	3,332	4.3
272	■	Dial	3,310	1.9
273	329	Aflac	3,283	22.6
274	303	NIKE	3,277	13.2
275	243	Kerr-McGee	3,274	–11.1
276	270	Barnett Banks	3,274	–0.7
277	250	Compaq Computer	3,271	–9.1
278	299	Corning	3,259	10.8
279	248	Sallie Mae	3,257	–10.0
280	265	Consolidated Rail	3,252	–3.6
281	290	Dole	3,216	7.1
282	258	Teledyne	3,207	–6.9
283	292	General Re	3,207	7.1
284	283	Browning-Ferris Inds	3,183	4.2
285	302	Nordstrom	3,180	9.9
286	296	Roadway Services	3,177	6.9
287	■	Varity	3,169	–12.4
288	294	PaineWebber Group	3,166	6.3
289	263	Mellon Bank	3,151	–7.4
290	287	Safeco	3,148	3.4
291	274	Masco	3,141	–2.1
292	346	Wachovia	3,138	24.6
293	300	Kemper	3,131	6.9
294	331	Berkshire Hathaway	3,106	16.8
295	286	AMP	3,095	1.7
296	236	Ames Dept Stores	3,091	–17.7
297	333	Tyco Laboratories	3,077	16.9
298	306	Lowe's Cos	3,056	7.9
299	317	Central & So West	3,047	11.0
300	271	CBS	3,035	–6.9
301	237	Circle K	3,011	–16.1
302	284	Harris Corp	2,997	–1.9
303	282	Maytag	2,971	–2.8
304	305	Union Camp	2,967	4.5
305	297	Air Prods & Chems	2,967	0.0
306	338	VF	2,952	13.0
307	295	CMS Energy	2,941	–1.2
308	334	Aon	2,931	11.6
309	275	Hercules	2,929	–8.5
310	289	Universal	2,907	11.6
311	322	Hershey Foods	2,899	6.8
312	445	Loral	2,870	60.4
313	354	Marion Merrell Dow	2,851	15.8
314	316	Provident Life & Acc	2,846	3.4
315	309	Enserch	2,835	0.7
316	320	Premark Intl	2,816	3.5
317	■	Manpower	2,800	–8.3
318	359	Waban	2,784	15.5
319	278	Owens-Corning	2,783	–10.5
320	357	Arkla	2,779	14.1
321	319	Marsh & McLennan	2,779	2.1
322	285	First Fidelity Bncp	2,778	–9.0
323	315	Geo A Hormel	2,764	0.1
324	308	Rohm & Haas	2,763	–2.2
325	356	TJX Cos	2,758	12.7
326	337	Northeast Utilities	2,754	5.3
327	321	Baker Hughes	2,747	1.0
328	279	Transco Energy	2,739	–11.1
329	395	Reebok International	2,734	26.6
330	304	Penn Traffic	2,730	–1.5
331	312	US Shoe	2,726	0.3
332	327	NBD Bancorp	2,724	1.3
333	352	Fred Meyer	2,703	9.2
334	353	EG&G	2,689	8.7
335	336	Carolina Power & Lt	2,686	2.6

■ Not on 500 list in 1990.

Rank 1991	Rank 1990	Company	Sales ($mil)	% change
336	272	Turner Corp	2,672	–18.0
337	342	Capital Holding	2,671	3.6
338	330	Seagate Technology	2,669	0.0
339	345	Bruno's	2,658	5.4
340	325	Mapco	2,643	–2.4
341	343	Illinois Tool Works	2,640	3.8
342	373	Circuit City Stores	2,616	12.4
343	323	Consol Natural Gas	2,607	–4.0
344	328	National City	2,588	–3.5
345	369	Columbia Gas Sys	2,577	9.3
346	326	Diamond Shamrock	2,576	–4.9
347	348	Ethyl	2,575	2.4
348	366	Centerior Energy	2,569	8.5
349	362	Pennsylvania P&L	2,560	7.2
350	355	Long Island Lighting	2,549	4.2
351	340	Avery Dennison	2,545	–1.7
352	381	Sherwin-Williams	2,541	12.1
353	311	Republic New York	2,535	–8.5
354	390	Pennzoil	2,527	–2.6
355	363	Bear Stearns Cos	2,527	6.3
356	423	Gap	2,519	30.3
357	360	Temple-Inland	2,507	4.4
358	335	Quantum Chemical	2,486	–5.0
359	358	BF Goodrich	2,472	1.6
360	387	Reader's Digest Assn	2,465	11.9
361	394	Baltimore G&E	2,459	13.9
362	293	Panhandle Eastern	2,454	–17.9
363	349	American Medical	2,449	–1.8
364	380	American President	2,449	7.9
365	367	Mercantile Stores	2,442	3.2
366	344	Armstrong World Inds	2,439	–3.6
367	298	Engelhard	2,436	–17.2
368	332	Phelps Dodge	2,434	–7.6
369	392	UNUM	2,421	11.5
370	375	Whitman	2,393	3.8
371	407	Bindley Western Inds	2,393	17.2
372	341	CoreStates Financial	2,386	–7.6
373	372	Longs Drug Stores	2,366	1.4
374	378	Santa Fe Pacific	2,360	2.7
375	383	Ohio Edison	2,359	6.0
376	347	Parker Hannifin	2,354	–6.5
377	376	Yellow Freight Sys	2,344	1.8
378	318	Shawmut National	2,344	–14.5
379	364	Nash Finch	2,343	–1.1
380	310	Paccar	2,339	–15.8
381	281	Continental Bank	2,301	–25.0
382	402	Beverly Enterprises	2,301	8.9
383	377	Allegheny Power	2,282	–0.7
384	■	Microsoft	2,276	54.0
385	339	Olin	2,275	–12.2
386	391	Intl Multifoods	2,271	4.3
387	361	Westvaco	2,268	–5.5
388	■	Ball Corp	2,267	67.1
389	440	KeyCorp	2,259	25.5
390	368	Maxxam	2,255	–4.5
391	401	Golden West Finl	2,241	5.4
392	374	Knight-Ridder	2,237	–2.9
393	408	Smith's Food & Drug	2,217	9.2
394	404	No States Power	2,201	6.6
395	410	Comdisco	2,197	9.0
396	385	Dover	2,196	–0.7
397	273	MNC Financial	2,194	–32.9
398	403	Becton Dickinson	2,191	6.0
399	313	Carter Hawley Hale	2,187	–20.9
400	496	Intelligent Electron	2,173	41.7
401	399	Dean Foods	2,168	1.0
402	379	Centex	2,155	–5.8
403	422	Geico	2,147	11.0
404	499	Hasbro	2,141	40.9
405	438	Williams Cos	2,105	15.5
406	409	Union Electric	2,097	3.7
407	436	New England Electric	2,094	12.9
408	351	Brunswick	2,088	–15.7
409	421	WW Grainger	2,077	7.3
410	412	Florida Progress	2,075	3.2
411	417	Polaroid	2,071	5.0
412	■	HealthTrust	2,065	NA
413	370	Tribune	2,035	–13.5
414	382	Manville	2,025	–9.8
415	424	US Bancorp	2,014	4.9
416	467	Hannaford Bros	2,008	19.0
417	457	Liz Claiborne	2,007	16.1
418	427	Willamette Inds	2,005	5.2
419	414	PHH	1,997	0.4
420	447	GenCorp	1,993	12.3
421	473	Foster Wheeler	1,992	19.9
422	439	E-Systems	1,991	10.0
423	350	Midlantic	1,987	–20.4
424	476	Morrison Knudsen	1,980	19.8
425	397	Tosco	1,980	–8.3
426	413	Spiegel	1,976	–0.9
427	441	Morton International	1,967	9.3
428	415	Stanley Works	1,962	–0.7
429	470	Computer Sciences	1,945	15.8
430	450	Harsco	1,943	10.4
431	420	McGraw-Hill	1,943	0.2
432	365	Wang Laboratories	1,940	–17.6
433	430	Tandem Computers	1,933	3.2
434	442	Torchmark	1,932	7.6
435	437	Pittston	1,929	4.3
436	435	Adolph Coors	1,917	2.9
437	371	GlenFed	1,911	–20.5
438	386	Asarco	1,910	–13.5
439	429	Springs Industries	1,890	0.7
440	384	Sequa	1,879	–15.0
441	■	Pet	1,878	3.3
442	428	ICH	1,872	–1.7
443	■	Caldor	1,868	5.7
444	444	Super Food Services	1,842	2.8
445	400	First Bank System	1,821	–14.8
446	454	Automatic Data	1,811	4.3
447	452	Beneficial Corp	1,810	3.1
448	453	Hanover Insurance	1,808	3.4
449	456	Public Service Colo	1,795	3.5
450	448	San Diego G&E	1,789	1.0
451	406	Crown Central Pet	1,765	–14.3
452	432	Burlington Resources	1,754	–6.2
453	489	Alltel	1,748	11.1
454	449	Brown Group	1,728	–2.0
455	458	Dow Jones	1,725	0.3
456	393	CalFed	1,716	–20.7
457	479	Ohio Casualty	1,714	4.7
458	425	USG	1,712	–10.6
459	484	Viacom	1,712	7.0
460	446	New York Times	1,703	–4.1
461	396	Amdahl	1,702	–21.1
462	466	Gulf States Utils	1,702	0.7
463	443	Louisiana-Pacific	1,702	–5.1
464	472	Sonoco Products	1,697	1.7
465	451	Avnet	1,694	–3.5
466	416	Itel	1,689	–14.5
467	477	Echlin	1,681	1.8
468	418	Trinova	1,681	–14.0
469	389	Hills Dept Stores	1,680	–21.5
470	434	Cyprus Minerals	1,679	–10.1
471	492	Clorox	1,679	7.7
472	468	Arvin Industries	1,676	–0.6
473	462	Natl Semiconductor	1,671	–2.5
474	398	Penn Central	1,669	–22.5
475	483	Sundstrand	1,669	4.3
476	495	Rubbermaid	1,667	8.7
477	■	US Healthcare	1,664	28.3
478	493	Imcera Group	1,664	7.0
479	426	HomeFed	1,663	–13.7
480	■	York Intl	1,653	14.1
481	463	Timken	1,647	–3.2
482	■	Interpublic Group	1,635	23.0
483	481	So New Eng Telecom	1,633	0.8
484	469	Union Bank	1,633	–3.2
485	480	Witco	1,631	–0.1
486	■	Fruit of the Loom	1,628	14.1
487	■	Mattel	1,622	10.3
488	474	Shaw Industries	1,619	–2.4
489	464	General Signal	1,616	–4.7
490	488	CBI Industries	1,615	2.5
491	459	Society	1,609	–6.4
492	■	Hechinger	1,608	15.5
493	478	National Service	1,603	–2.4
494	411	Murphy Oil	1,601	–20.5
495	■	Conner Peripherals	1,599	19.5
496	455	Armco	1,595	–8.1
497	■	Duracell Intl	1,589	9.7
498	500	Boatmen's Bancshs	1,588	4.8
499	■	ShopKo Stores	1,586	NA
500	■	Merisel	1,585	33.0

■ Not on 500 list in 1990. NA: Not available.



Overall earnings fell for the third year in a row at America's most profitable corporations. This year they should do better.

AMERICA'S 500 most profitable corporations earned $155 billion last year, a 9.5% decline from the $171 billion they took to the bottom line in 1990. At their pre-recession peak in 1988, the Forbes Profits 500 companies earned a combined $187 billion.

For the first time since 1969—when FORBES began compiling this annual survey—IBM failed to make the Profits 500. Just one year ago IBM led the list with a 1990 net of $6 billion. But last year IBM took $2.7 billion in aftertax restructuring charges. That, coupled with a 6% drop in revenues, resulted in a $564 million loss before an accounting change. After the accounting adjustment—which was for retirees' future medical bills—IBM reported a $2.8 billion loss.

Detroit, too, was swimming in red ink. GM, Ford and Chrysler reported a combined loss of nearly $8 billion. The Gulf war and the recession took their toll on the airline industry. AMR, Delta, UAL, USAir and Continental each lost hundreds of millions of dollars.

Oil companies were hurt by the global recession and falling crude prices. Amerada Hess and Phillips Petroleum both saw their profits fall more than 80%. Phillips Petroleum operated below capacity for most of the year because of a fire at one of its refineries. Chevron, Amoco and Texaco had double-digit earnings declines. Among oil companies, Exxon was a notable exception: It increased profits by 12% and earned $5.6 billion in 1991, replacing IBM as America's most profitable company.

Merrill Lynch benefited from cost control as well as from the rally in stocks and bonds. It earned $696 million, over three times what it made in 1990. Earnings more than doubled at Bear Stearns, while Morgan Stanley, A.G. Edwards and Salomon also posted substantial profit increases.

Among the many small companies peddled to investors at high multiples of their earnings as "emerging growth" stocks, only a few will ever make it into the big-profits leagues. One that made it is Amgen, the biotechnology firm, ranked 346. –GUSTAVO LOMBO

Rank 1991	Rank 1990	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1991
1	2	Exxon	5,600.0	11.8	10,424	1
2	3	General Electric	4,435.0	3.1	7,267	2
3	4	Philip Morris Cos	3,927.0	10.9	5,424	3
4	10	Merck	2,121.7	19.1	2,386	22
5	11	Bristol-Myers Squibb	2,056.0	17.6	2,302	23
6	8	Mobil	1,920.0	–0.5	4,509	5
7	12	Procter & Gamble	1,787.0	3.1	2,770	17
8	20	Coca-Cola	1,618.0	17.1	1,879	30
9	23	Wal-Mart Stores	1,608.5	24.6	2,084	27
10	15	GTE	1,580.0	2.5	4,834	4

Winners

Rank 1991	Rank 1990	Company	Net profits 1991 ($mil)	Net profits 1990 ($mil)
122	■	Rhône-Poulenc Rorer	326.5	1.0
457	■	Washington Mutual	67.5	0.9
346	■	Amgen	97.9	3.9
196	■	Kemper	204.5	11.9
60	■	Baxter International	591.0	40.0

■ Not on 500 list in 1990.

Losers

Rank 1991	Rank 1990	Company	Net profits ($mil)	% change
480	59	Union Pacific	64.0	–89.6
384	88	Amerada Hess	84.3	–82.5
345	75	Phillips Petroleum	98.0	–81.9
434	108	Unocal	73.0	–81.8
75	5	American Tel & Tel	522.0	–80.9

Rank 1991	Rank 1990	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1991
11	18	Boeing	1,567.0	13.1	2,393	21
12	17	American Intl Group	1,553.0	7.7	1,878	31
13	14	BellSouth	1,506.9	–7.6	4,472	6
14	28	Johnson & Johnson	1,461.0	27.8	1,954	29
15	27	Federal Natl Mortgage	1,455.4	24.0	1,455	43
16	6	El du Pont de Nemours	1,403.0	–39.3	4,354	7
17	25	American Home Prods	1,375.3	11.8	1,542	36
18	21	Bell Atlantic	1,331.6	1.5	3,630	10
19	29	Eli Lilly	1,314.7	16.6	1,614	34
20	16	Texaco	1,294.0	–10.8	2,854	16
21	7	Chevron	1,293.0	–40.1	3,944	9
22	37	Sears, Roebuck	1,278.9	41.8	2,048	28
23	9	Amoco	1,173.0	–38.7	3,412	11
24	24	Ameritech	1,165.5	–7.0	3,080	12
25	30	Southwestern Bell	1,156.5	5.0	2,922	14
26	22	Minn Mining & Mfg	1,154.0	–11.8	2,123	25
27	38	BankAmerica	1,124.0	28.2	1,426	44
28	48	JP Morgan & Co	1,114.0	43.7	1,114	62
29	34	Abbott Laboratories	1,088.7	12.7	1,468	42
30	31	PepsiCo	1,080.2	0.3	2,095	26
31	33	Pacific G&E	1,026.4	4.0	2,198	24
32	32	Pacific Telesis	1,015.0	–1.5	2,883	15
33	19	Dow Chemical	942.0	–31.9	2,407	20
34	41	Anheuser-Busch Cos	939.8	11.6	1,474	41
35	44	Loews	904.3	12.4	1,004	72
36	62	Southern Co	876.4	45.1	1,844	32
37	45	McDonald's	859.6	7.1	1,374	48
38	50	Kmart	859.0	13.6	1,411	45
39	49	Hewlett-Packard	856.0	11.0	1,493	40
40	56	Intel	818.6	25.9	1,242	54
41	35	ITT	817.0	–14.7	1,352	50
42	63	American Brands	806.1	35.3	1,087	65
43	133	American Express	789.0	133.4	1,542	37
44	46	Pfizer	722.1	–9.9	966	76
45	82	Sara Lee	714.7	42.8	1,136	61
46	13	Atlantic Richfield	709.0	–58.0	2,734	18
47	47	SCEcorp	702.6	–10.7	1,633	33
48	223	Merrill Lynch	696.1	262.8	972	74
49	272	Polaroid	683.7	352.8	769	95
50	42	Walt Disney	674.3	–17.8	1,502	39
51	55	Bankers Trust NY	667.0	0.3	762	96
52	61	General Re	656.7	7.0	657	107
53	72	HJ Heinz	648.7	18.5	860	83
54	67	Schering-Plough	645.6	14.2	775	93
55	58	Emerson Electric	637.7	3.2	933	78
56	53	Waste Management	606.3	–14.5	1,199	56
57	80	Kellogg	606.0	20.5	829	86
58	36	Nynex	600.8	–36.7	2,987	13
59	70	Raytheon	591.8	6.2	898	80
60	■	Baxter International	591.0	500.0+	1,018	69
61	86	Marion Merrell Dow	585.0	20.1	673	104
62	76	Duke Power	583.6	8.4	1,203	55
63	57	Rockwell Intl	582.3	–6.1	1,173	59
64	127	Microsoft	581.4	63.5	674	103
65	78	Detroit Edison	568.0	10.4	980	73
66	65	Consolidated Edison	566.9	–0.8	927	79
67	105	Federal Home Loan Mtg	555.0	34.1	555	131
68	26	US West	553.4	–53.8	2,430	19
69	77	Chubb	552.0	5.7	586	126
70	152	MCI Communications	551.0	84.3	1,396	47
71	74	Pub Svc Enterprise	544.3	0.4	1,253	53
72	97	Upjohn	537.4	17.9	673	105
73	365	Philadelphia Elec	534.7	405.5	1,034	68
74	103	Banc One	529.5	25.1	618	121
75	5	American Tel & Tel	522.0	–80.9	4,090	8
76	■	Chase Manhattan	520.0	D-P	775	92
77	83	May Dept Stores	515.0	3.0	834	85
78	79	Dun & Bradstreet	508.5	0.1	859	84
79	102	Kimberly-Clark	508.3	17.6	774	94
80	93	PacifiCorp	507.2	7.0	1,187	58
81	150	Salomon	507.0	67.3	630	114
82	60	Aetna Life & Cas	505.2	–17.7	675	102
83	■	General Dynamics	505.0	D-P	808	89
84	95	Archer Daniels	499.1	8.6	801	90
85	85	American Electric	497.9	0.3	1,043	66
86	96	General Mills	493.4	7.9	725	98
87	90	Entergy	482.0	0.8	881	81
88	68	American General	480.0	–14.6	480	154
89	117	Primerica	478.8	28.4	599	124
90	170	Morgan Stanley	475.1	75.7	528	142
91	100	Dominion Resources	459.9	3.2	1,013	70
92	84	Motorola	454.0	–9.0	1,367	49
92	179	Xerox	454.0	86.8	1,149	60
94	136	Cigna	453.0	37.3	453	164
95	■	Campbell Soup	450.9	500.0+	648	111
96	110	Berkshire Hathaway	439.9	11.6	477	155
97	120	Gillette	427.4	16.2	620	120
98	147	McDonnell Douglas	423.0	38.2	951	77
99	132	Houston Industries	417.4	23.0	876	82
100	112	St Paul Cos	405.1	3.5	459	161
101	109	Limited	403.3	1.2	626	117
102	66	International Paper	399.0	–29.9	1,099	64
103	165	Norwest	398.5	42.0	548	132
104	124	Cooper Industries	393.2	8.8	651	109
105	477	PNC Financial	389.8	449.7	459	160
106	107	Ralston Purina	387.3	–3.5	651	110
107	166	Carolina Power & Lt	377.0	34.4	818	87
108	125	Central & So West	375.0	5.3	701	101

■ Not on 500 list in 1990. D-P: Deficit to profit.

Rank 1991	Rank 1990	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1991
109	91	Capital Cities/ABC	374.7	-21.6	533	137
110	116	CPC International	372.7	-0.3	627	115
111	129	SunTrust Banks	370.7	5.8	467	159
112	■	RJR Nabisco	368.0	D-P	1,596	35
113	144	Sprint	367.5	19.0	1,532	38
114	162	ConAgra	363.9	27.5	669	106
115	128	American Cyanamid	358.8	1.7	627	116
116	135	Humana	355.0	6.8	622	118
117	130	Pennsylvania P&L	348.4	1.3	706	100
118	113	Melville	346.7	-10.0	499	150
119	151	Sallie Mae	345.1	14.7	345	198
120	138	Toys 'R' Us	339.5	4.2	440	166
121	114	Honeywell	331.1	-10.9	617	122
122	■	Rhône-Poulenc Rorer	326.5	500.0+	516	144
123	81	Apple Computer	325.4	-35.0	532	138
124	157	Union Electric	321.5	9.3	621	119
125	148	First Union	318.7	4.7	485	152
126	155	NIKE	317.1	7.3	360	190
127	■	Occidental Petroleum	317.0	D-P	1,272	51
128	137	Martin Marietta	313.1	-4.4	538	135
129	160	Corning	311.2	7.6	543	133
130	134	Lockheed	308.0	-8.1	647	112
131	■	Travelers	307.0	D-P	381	185
132	140	Long Island Lighting	305.5	-4.4	531	139
133	149	Marsh & McLennan Cos	305.5	0.5	419	172
134	115	Gannett	301.6	-20.0	501	149
135	106	Dayton Hudson	301.0	-26.6	711	99
136	163	Textron	299.5	5.8	522	143
137	221	Gt Western Financial	298.1	134.6	384	183
138	73	Monsanto	296.0	-45.8	1,042	67
139	203	Pitney Bowes	295.3	38.4	533	136
140	123	Borden	294.9	-18.9	512	147
141	169	NBD Bancorp	293.0	6.6	357	192
142	176	National Medical	292.3	12.8	503	148
143	247	Mellon Bank	280.0	60.9	414	173
144	342	Union Texas Petrol	279.9	141.3	405	177
145	99	Phelps Dodge	272.9	-40.0	412	174
146	205	Northrop	268.2	27.5	440	167
147	198	UST Inc	265.9	19.1	288	241
148	164	Ohio Edison	264.8	-6.0	587	125
149	64	JC Penney	264.0	-54.2	631	113
150	161	AMP	259.7	-9.5	515	146
151	167	Safeco	259.6	-6.8	295	236
152	184	Albertson's	257.8	10.3	391	182
153	193	Quaker Oats	256.6	12.8	426	169
154	180	Air Prods & Chems	252.5	4.7	575	128
155	254	Capital Holding	250.2	50.6	271	261
156	257	Home Depot	249.2	52.5	301	227
157	190	Torchmark	246.5	7.6	272	258
158	226	HF Ahmanson	245.8	28.7	343	202
159	432	Niagara Mohawk Power	243.4	193.6	541	134
160	181	Aon	242.0	1.3	333	208
161	215	Enron	241.8	19.6	608	123
162	■	FPL Group	240.6	D-P	759	97
163	236	American Stores	240.2	31.7	276	254
164	201	Automatic Data	238.9	8.8	355	193
165	239	Golden West Finl	238.6	31.5	253	277
166	173	Centerior Energy	237.4	-10.2	480	153
167	204	Northeast Utilities	236.7	12.2	529	140
168	244	Reebok International	234.7	32.9	273	257
169	245	Baltimore G&E	233.7	33.2	476	156
170	369	Bear Stearns Cos	232.5	125.6	270	263
171	185	National City	231.0	-1.1	314	218
172	284	Gap	229.9	59.1	305	224
173	153	Wachovia	229.5	-22.8	339	203
174	347	CoreStates Financial	228.1	100.1	322	212
175	216	Republic New York	227.4	13.0	242	285
176	219	No States Power	224.0	14.6	529	141
177	213	Liz Claiborne	222.7	8.2	250	280
178	125	Lyondell Petrochem	222.0	-37.6	263	265
179	■	First Fidelity Bncp	221.2	D-P	259	271
180	228	Reader's Digest Assn	220.8	16.3	270	262
181	202	Hershey Foods	219.5	1.7	305	225
182	214	WR Grace	218.6	7.8	578	127
183	168	General Public Utils	217.6	-21.8	655	108
184	252	Potomac Electric	210.2	23.5	345	200
185	224	Lincoln National	208.4	8.8	292	240
186	209	San Diego G&E	208.1	0.1	405	178
187	211	Genuine Parts	207.7	0.5	238	290
188	271	Super Valu Stores	207.3	36.9	325	211
189	183	Cincinnati G&E	207.0	-11.8	338	205
190	187	Ethyl	206.7	-11.0	297	234
191	234	Dillard Dept Stores	206.2	12.8	319	216
192	192	Burlington Resources	205.4	-10.3	494	151
193	248	Food Lion	205.2	18.9	310	220
194	231	UNUM	205.0	10.7	205	313
195	195	RR Donnelley & Sons	204.9	-9.3	447	165
196	■	Kemper	204.5	500.0+	205	316
197	■	NationsBank	201.9	-66.1	563	130
198	92	PPG Industries	201.4	-57.6	574	129
199	273	Sun Microsystems	199.3	32.0	419	170
200	243	Walgreen	198.3	11.4	287	244
201	235	US Bancorp	196.4	7.5	239	289
202	207	Geico	196.4	-5.8	207	310
203	225	Allegheny Power	194.0	1.4	384	184
204	310	First Bank System	190.4	45.8	237	292
205	229	Wisconsin Energy	189.3	1.4	358	191
206	222	Alltel	189.0	-2.0	406	175

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Rank 1991	Rank 1990	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1991
207	279	KeyCorp	188.1	26.7	239	286
208	276	Ashland Oil	185.6	24.3	470	158
209	357	Novell	184.2	67.9	210	309
210	250	Deluxe	182.9	6.2	259	270
211	232	Becton Dickinson	182.1	–1.0	334	207
212	237	Illinois Tool Works	180.6	–1.0	296	235
213	175	New England Electric	179.8	–31.4	458	162
214	260	Winn-Dixie Stores	177.9	11.8	301	230
215	174	Tandy	176.2	–32.4	278	250
216	263	Jefferson-Pilot	175.7	11.5	192	326
217	266	FMC	173.1	11.5	399	180
218	258	Computer Associates	173.0	6.8	308	223
219	255	Florida Progress	172.1	4.4	438	168
220	469	Whirlpool	170.0	136.1	403	179
221	264	Intl Flavors & Frags	168.7	7.7	198	321
222	262	NY State E&G	168.6	6.7	321	213
223	256	Consol Natural Gas	168.6	3.0	453	163
224	285	Fluor	163.8	13.4	288	242
225	210	Rohm & Haas	163.1	–21.1	346	196
226	267	Society	163.0	5.1	212	307
227	288	Rubbermaid	162.7	13.3	225	297
228	■	Centel	161.8	150.3	368	188
229	269	Baker Hughes	161.7	5.7	316	217
230	283	Sysco	161.6	11.3	258	272
231	435	VF	161.3	98.9	252	279
232	292	Great Lakes Chemical	157.5	11.8	221	299
233	323	Medtronic	154.3	24.3	201	319
234	154	Reynolds Metals	154.1	–48.0	419	171
235	■	Chemical Banking	154.0	–65.0	346	197
236	316	Comerica	153.4	19.4	191	330
237	446	US Healthcare	151.1	94.9	163	372
238	■	PaineWebber Group	150.7	D-P	184	341
239	338	H&R Block	150.7	28.1	190	331
240	230	Ingersoll-Rand	150.6	–18.8	259	267
241	301	Boatmen's Bancshs	150.1	11.0	192	325
242	182	Household Intl	149.8	–36.3	320	215
243	282	Public Service Colo	149.7	2.4	269	264
244	■	MBNA	149.2	15.7	168	363
245	287	Beneficial Corp	148.8	14.1	191	329
246	341	Aflac	148.7	26.9	149	397
247	321	Tyson Foods	148.5	18.0	287	243
248	249	McGraw-Hill	148.0	–14.2	220	301
249	261	Westvaco	147.9	–6.6	328	210
250	188	Paramount Commun	147.9	–35.9	1,268	52
251	314	Cincinnati Financial	146.3	13.4	152	389
252	294	TECO Energy	145.3	4.3	278	249
253	■	Advanced Micro	145.3	D-P	301	228
254	299	Nipsco Industries	145.1	5.2	321	214
255	320	MBIA	144.7	14.3	152	391
256	295	Morton International	143.4	3.0	242	283
257	■	Tribune	142.0	D-P	279	248
258	289	Brown-Forman	141.9	–0.6	179	347
259	87	Warner-Lambert	140.8	–71.0	276	253
260	340	State Street Boston	139.3	18.7	180	344
261	186	Temple-Inland	138.4	–40.5	300	231
262	330	Fifth Third Bancorp	138.2	14.7	149	396
263	309	Nalco Chemical	137.8	5.1	207	311
264	318	Price Co	137.4	7.3	180	345
265	305	Unitrin	137.2	3.8	137	412
266	253	Dresser Industries	135.9	–19.4	239	287
267	238	Scana	135.9	–25.2	272	259
268	343	Nordstrom	135.8	17.3	232	294
269	220	Avon Products	135.7	–30.5	197	322
270	307	First of America Bank	134.9	2.5	174	355
271	384	Firstar	134.3	37.7	166	366
272	296	Oklahoma G&E	133.9	–3.8	242	284
273	329	Dole	133.7	11.0	221	300
274	327	DQE	133.6	9.8	309	221
275	304	Puget Sound P&L	132.8	0.3	249	281
276	278	Knight-Ridder	132.1	–11.4	257	273
277	367	Old Republic Intl	131.0	25.2	131	420
278	98	Compaq Computer	130.9	–71.2	297	233
279	339	Wm Wrigley Jr	128.7	9.6	157	380
280	397	Chiquita Brands Intl	128.5	36.8	202	318
281	326	Sherwin-Williams	128.2	4.5	188	337
282	265	Dover	128.2	–17.6	214	306
283	360	Crown Cork & Seal	128.1	19.6	257	274
284	319	WW Grainger	127.7	0.8	160	375
285	344	Northern Trust	127.4	10.4	162	373
286	334	Roadway Services	127.3	6.9	284	245
287	358	American Natl Ins	126.0	15.9	140	407
288	311	Mapco	125.9	–3.2	217	303
288	306	So New Eng Telecom	125.9	–4.7	380	186
290	139	Colgate-Palmolive	124.9	–61.1	271	260
291	189	Union Camp	124.8	–45.6	344	201
292	374	Barnett Banks	123.8	84.7	243	282
293	227	Lubrizol	123.7	–34.9	183	342
294	■	Gulf States Utils	122.4	D-P	352	195
295	145	Bank of New York	122.0	–60.4	277	251
296	■	Conseco	121.0	190.2	230	295
297	470	Cabot	120.6	199.5	203	317
298	359	Manufacturers Natl	120.2	11.1	151	395
299	270	DPL	119.2	–22.1	216	305
300	246	Washington Post	118.7	–32.0	222	298
301	368	Rite Aid	118.3	14.6	216	304
302	403	Mattel	118.1	29.5	176	352
303	241	Provident Life & Acc	117.1	–34.6	151	394
304	423	Huntington Bcshs	117.0	37.3	157	381

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305	177	First Chicago	116.3	-53.3	274	256
306	324	Mercantile Stores	114.0	-7.7	185	339
307	■	Duracell Intl	113.6	473.7	259	269
308	350	Cray Research	113.0	0.0	232	293
309	391	Bancorp Hawaii	112.7	17.8	132	418
310	388	Citizens Utilities	112.4	6.4	160	377
311	373	Newell Co	112.2	10.7	152	392
312	424	Loral	112.1	32.2	237	291
313	449	Fruit of the Loom	111.0	44.0	205	315
314	450	Williams Cos	110.0	42.9	282	247
315	421	E-Systems	109.5	27.9	161	374
316	■	Illinois Power	109.2	D-P	292	238
317	356	Southwestern Pub Svc	109.0	-1.0	167	365
318	346	Sundstrand	108.8	-4.8	190	332
319	349	Nicor	108.6	-4.3	226	296
320	■	Pioneer Hi-Bred Intl	108.4	62.0	164	368
321	89	BHC Commun	108.1	-77.5	254	276
322	425	Ohio Casualty	107.9	28.2	120	432
323	348	Gerber Products	106.4	-6.3	138	410
324	394	Montana Power	105.7	11.3	178	350
325	406	Franklin Resources	104.0	14.8	109	449
326	433	National Health Labs	103.9	25.8	126	424
327	371	Kansas City P&L	103.9	1.1	197	323
328	379	20th Century Inds	103.5	4.9	109	447
329	453	Circus Circus	103.3	35.5	152	390
330	335	Giant Food	102.3	-13.2	192	327
331	■	Premark Intl	102.3	96.6	218	302
332	387	Ipalco Enterprises	102.0	5.2	181	343
333	448	Imcera Group	101.8	31.7	189	335
334	■	Pet	101.7	D-P	155	384
335	275	Kerr-McGee	101.6	-32.4	406	176
336	427	Kroger	100.7	20.9	472	157
337	■	Meridian Bancorp	100.6	347.4	145	401
338	389	McKesson	100.3	4.0	179	348
339	172	Transamerica	99.4	-62.7	259	268
340	473	Marshall & Ilsley	99.3	39.3	120	433
341	422	Grumman	99.3	16.1	194	324
342	409	Johnson Controls	99.0	11.7	300	232
343	395	Valero Energy	98.7	4.2	153	387
344	312	Tyco Laboratories	98.3	-24.3	189	333
345	75	Phillips Petroleum	98.0	-81.9	1,409	46
346	■	Amgen	97.9	500.0+	119	434
347	■	Fleet/Norstar Finl	97.7	D-P	338	204
348	143	Freeport-McMoRan	96.7	-65.9	329	209
349	■	Santa Fe Pacific	96.4	D-P	305	226
350	196	Coastal Corp	96.3	-57.3	398	181
351	362	Stanley Works	95.1	-10.8	170	361
352	317	Commonwealth Ed	94.9	-26.0	969	75
353	390	Hercules	94.9	-1.2	275	255
354	■	Leucadia National	94.8	100.3	148	399
355	■	Sonoco Products	94.8	88.2	171	357
356	441	Boston Edison	94.7	18.9	259	266
357	439	Interpublic Group	94.6	18.1	148	398
358	131	Newmont Mining	94.3	-72.5	188	336
359	492	Blockbuster	93.7	36.5	283	246
360	417	King World Prods	93.6	7.8	105	456
361	281	Union Bank	93.5	-36.2	116	438
362	480	Storage Technology	93.1	31.8	205	314
363	414	Old Kent Financial	93.0	6.3	107	454
364	442	American Greetings	92.7	17.0	136	413
365	■	Conner Peripherals	92.5	-28.9	143	403
366	345	Alexander & Baldwin	92.4	-19.8	169	362
367	■	AG Edwards	91.8	68.1	110	444
368	■	Costco Wholesale	91.5	63.1	119	437
369	290	Consolidated Papers	91.4	-35.8	156	382
370	■	US Surgical	91.2	98.0	132	419
371	420	Hubbell	90.6	5.3	113	442
372	483	SouthTrust	90.0	29.1	133	417
373	409	IMC Fertilizer Group	90.0	1.6	178	349
374	■	Harris Corp	89.7	149.2	277	252
375	455	Hillenbrand Inds	89.2	17.9	184	340
376	466	First Financial Mgmt	89.0	22.1	164	370
377	482	Engelhard	87.9	25.1	166	367
378	308	Bausch & Lomb	85.9	-34.6	155	385
379	490	Atlantic Energy	85.6	24.3	152	393
380	■	Panhandle Eastern	85.1	D-P	309	222
381	212	Carnival Cruise Lines	85.0	-58.8	170	360
382	■	Medco Containment	84.5	107.0	100	461
383	407	Argonaut Group	84.4	-5.9	98	464
384	88	Amerada Hess	84.3	-82.5	1,102	63
385	351	Hilton Hotels	84.3	-25.1	189	334
386	■	St Jude Medical	84.0	29.8	91	471
387	429	Geo A Hormel	83.0	-0.1	119	435
388	465	LG&E Energy	83.0	13.3	160	376
389	431	GATX	82.7	-0.3	210	308
390	336	Federal Paper Board	82.4	-30.3	205	312
391	■	Marriott	82.0	74.5	345	199
392	240	Times Mirror	82.0	-54.6	334	206
393	471	First Hawaiian	81.7	14.3	98	463
394	408	Hasbro	81.7	-8.4	164	371
395	463	EG&G	81.2	9.8	115	440
396	481	Pall	81.2	15.1	114	441
397	484	McCormick & Co	80.9	16.7	121	430
398	438	KU Energy	80.6	8.0	138	411
399	418	Weis Markets	80.6	-7.1	106	455
400	■	Delmarva Power & Lt	80.5	115.8	180	346
401	■	Whitman	80.4	D-P	167	364
402	451	AmSouth Bancorp	80.4	4.8	104	457

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403	474	Sigma-Aldrich	79.8	12.0	107	451
404	443	Bandag	79.6	1.0	101	459
405	■	Cooper Tire & Rubber	79.4	19.5	111	443
406	383	Tambrands	79.0	-19.2	95	469
407	378	Maytag	79.0	-20.1	172	356
408	416	Safeway	79.0	-9.3	367	189
409	■	HealthTrust	78.7	NA	199	320
410	445	James River Corp Va	78.3	0.1	375	187
411	489	First Alabama Bcshs	78.3	13.6	95	467
412	■	Caesars World	77.6	116.3	135	415
413	■	Data General	77.2	D-P	186	338
414	467	Harsco	76.5	5.6	134	416
415	■	Service Merchandise	76.1	25.3	142	404
416	411	PH Glatfelter	76.0	-13.9	107	453
417	■	Betz Laboratories	75.5	15.3	109	446
418	461	Minnesota Power & Lt	75.5	1.2	124	428
419	325	Tosco	75.4	-38.8	147	400
420	493	USLife	74.9	9.1	87	479
421	■	United HealthCare	74.8	120.6	89	476
422	■	Goodyear	74.5	D-P	516	145
423	478	LTV	74.1	4.5	301	229
424	242	Eaton	74.0	-58.7	239	288
425	444	Hartford Steam Boiler	73.9	-6.2	90	474
426	■	Washington Fedl S&L	73.8	17.1	77	489
427	■	American Water Works	73.6	28.9	126	425
428	■	UtiliCorp United	73.5	24.8	192	328
429	497	Witco	73.5	8.1	141	406
430	■	Service Corp Intl	73.4	15.5	108	450
431	■	Rochester Telephone	73.3	47.3	170	359
432	375	Snap-on Tools	73.2	-27.3	99	462
433	452	Premier Industrial	73.1	-4.6	81	487
434	108	Unocal	73.0	-81.8	1,198	57
435	■	Dean Foods	72.7	8.6	123	429
436	454	FlightSafety Intl	72.4	-4.3	109	448
437	386	Fleming Cos	72.3	-25.7	164	369
438	440	Kansas Power & Light	72.3	-9.2	158	379
439	361	Dow Jones	72.2	-32.5	255	275
440	413	Washington Water	72.2	-17.6	130	421
441	■	Cipsco	72.1	9.6	142	405
442	499	Loctite	71.9	6.7	91	472
443	500	Wilmington Trust	71.9	7.2	78	488
444	268	Alco Standard	71.4	-54.0	139	409
445	■	Intergraph	71.1	13.7	139	408
446	274	Great A&P Tea	70.7	-53.2	295	237
447	■	Peoples Energy	70.6	25.9	126	423
448	491	Mercantile Bkshs	70.6	2.5	77	490
449	■	Integra Financial	70.2	168.9	91	473
449	■	Universal	70.2	36.4	96	465
451	■	AST Research	70.1	33.6	81	486
452	398	Pennzoil	70.0	-25.3	312	219
453	■	First Virginia Banks	69.6	6.9	94	470
454	■	Midwest Resources	68.4	9.9	174	354
455	251	Litton Industries	68.4	-59.9	292	239
456	■	Dreyfus	67.9	9.4	75	492
457	■	Washington Mutual	67.5	500.0+	73	495
458	■	First Empire State	67.2	24.6	77	491
459	■	Mercantile Bancorp	66.6	17.3	84	484
460	■	Ball Corp	66.2	31.9	174	353
461	430	Comdisco	66.0	-20.5	1,008	71
462	355	Sonat	66.0	-29.7	253	278
463	■	Stride Rite	66.0	18.8	70	497
464	■	Star Banc	65.8	1.5	85	482
465	■	Standard Fedl Bank	65.8	64.2	86	481
466	■	Mead	65.6	107.6	354	194
467	496	Computer Sciences	65.5	-3.6	125	427
468	■	Mercury General	65.5	27.0	70	498
469	■	Brooklyn Union Gas	65.5	10.6	116	439
470	■	Illinois Central	65.4	41.6	86	480
471	■	Jostens	65.1	5.0	87	478
472	■	Vons Cos	65.0	30.8	153	388
473	■	WPL Holdings	64.9	9.1	126	422
474	458	Nucor	64.7	-13.8	158	378
475	■	EW Scripps	64.6	34.5	177	351
476	■	BanPonce	64.6	1.9	104	458
477	■	Equitable Resources	64.2	8.9	119	436
478	■	Questar	64.0	11.3	136	414
479	■	American President	64.0	D-P	171	358
480	59	Union Pacific	64.0	-89.6	812	88
481	494	Alleghany	64.0	-6.7	96	466
482	■	First Tennessee Natl	63.8	33.2	84	483
483	■	Bruno's	63.5	-2.3	107	452
484	■	Molex	63.3	-4.0	125	426
485	■	Avery Dennison	63.0	500.0+	155	383
486	156	Alcoa	62.7	-78.8	794	91
487	293	Clorox	62.2	-55.8	154	386
488	487	Harnischfeger Inds	61.5	-11.0	101	460
489	393	Georgia Gulf	61.5	-35.5	88	477
490	■	CBI Industries	61.1	10.8	144	402
491	472	Circuit City Stores	60.9	-7.6	95	468
492	■	Edison Bros Stores	60.8	3.1	120	431
493	■	Central Fidelity Bks	60.4	8.4	73	493
494	■	Millipore	60.4	117.2	90	475
495	■	JWP	60.3	1.6	110	445
496	■	BB&T Financial	60.2	12.2	68	499
497	■	Commerce Bcshs	59.8	3.9	83	485
498	■	First Security	59.6	30.3	73	494
499	■	Central Bancshares	59.4	21.5	72	496
500	■	Cisco Systems	58.8	119.5	63	500

■ Not on 500 list in 1990. D-P: Deficit to profit. NA: Not available.

Adjusted for inflation, the total value of assets held by these 500 companies shrank somewhat last year. Is the worst now over for Citibank and other hard-hit banks and thrifts?

THE COMBINED HOLDINGS of the Forbes Assets 500 grew by just 2% during 1991, to $7.6 trillion. Adjusted for inflation, this was a slight decrease from the prior year. The culprits: the recession, falling real estate values, restructuring, and continuing writeoffs and asset revaluations by banks and other financial institutions. Consolidation of sick banks accounts for much of this shrinkage. Of the 147 banks and thrifts listed below, 43% reported declines in total assets during 1991.

Despite its problems, Citicorp, with consolidated assets of $217 billion, still leads the assets ranking. Citicorp reduced its common cash dividend in late 1990 and omitted it last year, saving about $350 million annually. And since 1987 the bank has written off $13 billion in bad loans, mostly overseas or on commercial real estate. Its cushion against further loan defaults has been cut to $3.3 billion, the lowest amount since 1986. The worst of Citi's troubles may now be behind it. During the last few months, the company's stock has more than doubled.

The rising stock and bond markets in 1991, combined with increased trading activity, made it a good year for Wall Street firms. Four of the larger players—Merrill Lynch (ranked 17), Morgan Stanley (22), Bear, Stearns (23) and PaineWebber (80)—saw their assets rise on average by over 30%. Increases in the value of securities these firms carry on their balance sheets, combined with a jump in customer receivables, account for these gains. The asset base of Charles Schwab, now the country's largest discount broker, grew 20% last year, to $5 billion. Some of that gain, however, is related to its July acquisition of Mayer & Schweitzer, a marketmaker in o-t-c stocks.

Rank 1991	Rank 1990	Company	Assets ($mil)	% change
1	1	Citicorp	216,922	0.0
2	2	General Motors	184,157	2.3
3	3	Ford Motor	174,428	0.5
4	4	General Electric	168,259	9.3
5	6	Fedl Natl Mortgage	147,072	10.5

Other big winners in financial services were three quasi-government agencies. Federal National Mortgage (5) and Federal Home Loan (32) buy home mortgages and package them as high-quality debt securities. Sallie Mae (36), which purchases government-guaranteed student loans, saw assets rise to $45 billion. Among newcomers to the rankings in the financial services industry are insurance companies Uslico and Cincinnati Financial, and MBNA, which is in the credit card business.

General Motors, ranked second, is the largest industrial company in assets. GM's assets rose a modest 2%, to $184 billion in 1991. Among manufacturing firms added to the Forbes Assets 500 are Owens-Illinois, Varity Corp. and Crown Cork & Seal. Drop-offs include Lone Star Technologies, Henley Group and Valhi. –ERIC S. HARDY

Winners

Rank 1991	Rank 1990	Company	Assets ($mil)	% change
338	■	Leucadia National	4,590	90.7
23	43	Bear Stearns Cos	54,670	56.4
33	56	Banc One	46,293	52.6
445	■	Chiquita Brands Intl	3,143	44.5
150	217	Conseco	11,596	40.0

■ Not on 500 list in 1990.

Losers

Rank 1991	Rank 1990	Company	Assets ($mil)	% change
407	266	Discount Corp of NY	3,582	-44.6
480	339	CBS	2,799	-40.4
99	68	MNC Financial	17,438	-33.9
182	126	First City Bncp Texas	9,943	-25.5
93	72	CalFed	18,395	-24.9

Rank 1991	Rank 1990	Company	Assets ($mil)	% change
6	5	American Express	146,441	6.4
7	■	Chemical Banking	138,930	2.0
8	7	BankAmerica	115,509	4.3
9	■	NationsBank	110,319	–5.2
10	11	JP Morgan & Co	103,468	11.1
11	10	Sears, Roebuck	102,801	11.1
12	9	Chase Manhattan	98,197	0.1
13	8	Salomon	97,402	–11.4
14	14	IBM	92,473	5.6
15	12	Aetna Life & Cas	91,988	3.0
16	13	Exxon	87,560	–0.2
17	17	Merrill Lynch	86,259	26.6
18	15	Security Pacific	76,411	–9.8
19	22	American Intl Group	69,389	19.3
20	19	Cigna	66,737	4.8
21	20	Bankers Trust NY	63,959	0.6
22	25	Morgan Stanley	63,709	19.0
23	43	Bear Stearns Cos	54,670	56.4
24	30	ITT	53,867	9.8
25	23	Wells Fargo	53,547	–4.7
26	35	American Tel & Tel	53,355	21.9
27	24	Travelers	52,709	–4.8
28	29	First Chicago	48,963	–3.6
29	26	First Interstate Bncp	48,922	–4.7
30	31	Philip Morris Cos	47,384	1.8
31	28	HF Ahmanson	47,276	–7.7
32	39	Fed Home Loan Mtg	46,860	15.5
33	56	Banc One	46,293	52.6
34	38	First Union	46,085	13.0
35	50	Fleet/Norstar Finl	45,445	39.8
36	37	Sallie Mae	45,320	10.2
37	33	PNC Financial	44,892	–1.4
38	32	Chrysler	43,071	–7.1
39	46	GTE	42,437	25.7
40	36	Mobil	42,187	1.3
41	40	Gt Western Financial	39,600	0.5
42	34	Bank of New York	39,426	–13.1
43	44	Loews	39,195	12.8
44	55	Norwest	38,502	25.7
45	41	El du Pont	36,117	–5.3
46	45	American General	36,105	6.8
47	42	Chevron	34,636	–1.3
48	47	SunTrust Banks	34,554	3.4
49	63	Lincoln National	34,095	23.5
50	53	Transamerica	33,682	6.0
51	69	Wachovia	33,158	26.2
52	51	Barnett Banks	32,721	1.6
53	49	Bank of Boston	32,700	0.5
54	48	RJR Nabisco	32,131	–2.4
55	54	Xerox	31,658	0.5
56	58	Republic New York	31,221	5.5
57	57	BellSouth	30,942	2.4
58	52	Amoco	30,510	–5.3
59	60	First Fidelity Bncp	30,215	3.8
60	59	Household Intl	29,982	1.8
61	66	NBD Bancorp	29,513	10.3
62	61	Mellon Bank	29,355	2.1
63	62	Bell Atlantic	27,882	–0.4
64	65	US West	27,854	3.0
65	67	Nynex	27,478	3.1
66	70	Texaco	26,182	0.8
67	71	Time Warner	24,900	–1.7
68	75	Dow Chemical	24,727	3.2
69	76	Atlantic Richfield	24,492	2.6
70	82	Golden West Finl	24,298	7.7
71	74	Eastman Kodak	24,170	0.2
72	77	National City	24,170	1.8
73	64	Continental Bank	24,008	–11.5
74	88	Procter & Gamble	23,733	15.2
75	83	Southwestern Bell	23,179	4.4
76	92	KeyCorp	23,156	20.2
77	85	Pacific G&E	22,901	4.3
78	81	Southern Co	22,883	0.1
79	78	Shawmut National	22,816	–3.7
80	97	PaineWebber Group	22,622	24.6
81	86	Ameritech	22,290	2.6
82	87	Pacific Telesis	21,838	1.2
83	80	CoreStates Financial	21,624	–8.1
84	91	Primerica	21,561	9.5
85	73	GlenFed	20,547	–15.6
86	84	Westinghouse	20,159	–8.5
87	89	Commonwealth Ed	20,084	–2.0
88	98	US Bancorp	18,875	7.2
89	103	Capital Holding	18,873	13.2
90	95	Texas Utilities	18,793	0.8
91	102	PepsiCo	18,783	9.6
92	93	Tenneco	18,696	–1.8
93	72	CalFed	18,395	–24.9
94	94	First Bank System	18,301	–3.7
95	79	Midlantic	18,170	–23.0
96	99	SCEcorp	18,119	3.7
97	100	Boatmen's Bancshs	17,635	1.0
98	105	Union Bank	17,474	7.1
99	68	MNC Financial	17,438	–33.9
100	104	Weyerhaeuser	16,928	3.5
101	114	First of America Bk	16,755	19.3
102	125	AMR	16,208	21.4
103	90	Occidental Petroleum	16,115	–18.4
104	119	Kmart	15,999	15.1
105	107	United Technologies	15,985	0.4
106	113	Boeing	15,784	8.2
107	111	Textron	15,737	5.7
108	152	Wal-Mart Stores	15,443	35.6
109	108	Society	15,405	1.9
110	120	American Brands	15,116	9.3
111	148	State Street Boston	15,046	29.1
112	121	International Paper	14,941	9.3
113	110	McDonnell Douglas	14,841	–0.8
114	115	Pub Svc Enterprise	14,824	5.7
115	123	Provident Life & Acc	14,787	9.4
116	122	Kemper	14,697	8.2
117	167	Berkshire Hathaway	14,462	35.5
118	118	USF&G	14,456	3.9
119	127	Comerica	14,451	8.6
120	112	Entergy	14,383	–3.0
121	116	American Electric	14,125	1.0
122	117	Continental Corp	14,047	0.9
123	96	HomeFed	13,913	–23.8
124	136	Chubb	13,775	12.3
125	139	Manufacturers Natl	13,544	12.1
126	130	UJB Financial	13,378	4.4
127	128	Union Pacific	13,326	1.9
128	133	PacifiCorp	13,229	6.9
129	147	Northern Trust	13,193	11.9
130	137	St Paul Cos	12,982	6.4
131	131	CSX	12,798	0.0
132	174	Waste Management	12,572	19.5
133	132	Philadelphia Elec	12,558	–0.1
134	134	JC Penney	12,520	1.6
135	157	General Re	12,405	12.4
136	135	Tele-Communications	12,391	0.7
137	146	Huntington Bcshs	12,333	4.4
138	191	Firstar	12,309	31.2
139	155	Hewlett-Packard	12,276	10.3
140	142	Centerior Energy	12,042	1.2
141	141	Caterpillar	12,042	0.8
142	144	Houston Industries	12,029	1.3
143	149	Digital Equipment	11,944	3.1
144	170	Safeco	11,907	12.8
145	178	Broad	11,836	14.4
146	143	Crestar Financial	11,828	–0.4
147	■	USX-Marathon	11,644	–2.4
148	176	Aon	11,633	11.5
149	162	Deere & Co	11,623	6.2
150	217	Conseco	11,596	40.0
151	138	Phillips Petroleum	11,473	–5.4
152	164	Bancorp Hawaii	11,409	6.6
153	168	McDonald's	11,349	6.4
154	145	Meridian Bancorp	11,337	–4.5
155	129	FPL Group	11,282	–12.9
156	159	Reliance Group	11,253	2.2
157	151	Signet Banking	11,239	–1.5
158	160	Dominion Resources	11,201	1.9
159	150	Alcoa	11,178	–2.1
160	166	Consolidated Edison	11,108	4.0
161	156	Minn Mining & Mfg	11,083	0.0
162	189	UNUM	10,668	12.1
163	187	ConAgra	10,667	11.5
164	172	Valley National	10,652	1.0
165	161	Michigan National	10,650	–2.8
166	140	Georgia-Pacific	10,622	–11.9
167	190	Johnson & Johnson	10,513	10.6
168	181	Duke Power	10,471	3.8
169	171	Sprint	10,464	–0.8
170	169	Detroit Edison	10,464	–1.0

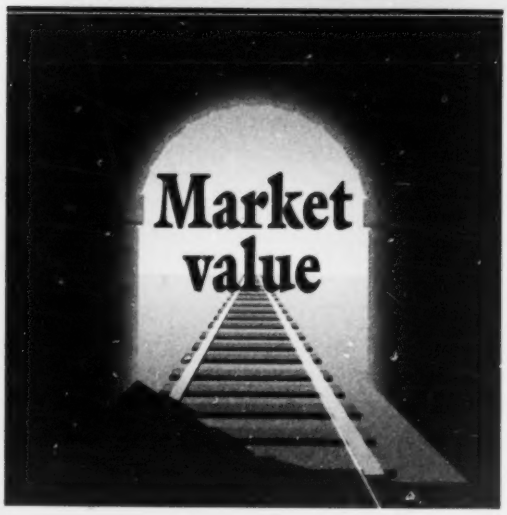
■ Not on 500 list in 1990.

Rank 1991	Rank 1990	Company	Assets ($mil)	% change
171	175	Allied-Signal	10,382	–0.7
172	163	Dime Savings Bank	10,329	–4.7
173	211	Walt Disney	10,327	20.5
174	193	Coca-Cola	10,222	10.2
175	201	SouthTrust	10,158	12.8
176	173	Norfolk Southern	10,148	–3.6
177	220	Aflac	10,145	26.3
178	183	Enron	10,072	2.3
179	226	Temple-Inland	10,068	28.5
180	186	Anheuser-Busch Cos	9,987	3.7
181	194	Beneficial Corp	9,964	7.6
182	126	First City Bncp Texas	9,943	–25.5
183	222	UAL	9,876	23.5
184	184	Unocal	9,836	0.8
185	227	Sara Lee	9,754	25.4
186	177	Dominion Bankshares	9,711	–6.4
187	200	Pfizer	9,635	6.4
188	205	Long Island Lighting	9,543	7.9
189	182	BayBanks	9,516	–5.6
190	192	Standard Fedl Bank	9,514	2.3
191	221	Merck	9,499	18.3
192	196	Coastal Corp	9,487	2.8
193	212	Dayton Hudson	9,485	11.3
194	210	AmSouth Bancorp	9,459	8.7
195	197	Bristol-Myers Squibb	9,416	2.2
196	165	FirstFed Michigan	9,415	–11.8
197	198	Central & So West	9,396	3.5
198	207	Motorola	9,375	7.2
199	213	Baxter International	9,340	9.7
200	188	Rockwell Intl	9,236	–3.4
201	195	Monsanto	9,217	–0.2
202	230	First Empire State	9,171	18.9
203	236	Delta Air Lines	9,083	24.0
204	231	Integra Financial	8,847	16.0
205	199	Amerada Hess	8,841	–2.4
206	219	Old Kent Financial	8,826	7.6
207	223	Fifth Third Bancorp	8,826	10.9
208	203	BanPonce	8,780	–2.3
209	214	NWNL	8,770	3.5
210	216	May Dept Stores	8,728	5.2
211	209	McCaw Cellular	8,717	0.0
212	215	Champion Intl	8,656	3.6
213	218	MCI Communications	8,599	7.8
214	180	Coast Savings Finl	8,596	–15.9
215	204	Goodyear	8,511	–5.1
216	179	Unisys	8,432	–18.0
217	241	Eli Lilly	8,299	16.2
218	206	Anchor Bancorp	8,278	–5.6
219	228	Niagara Mohawk Pwr	8,241	6.1
220	232	Mercantile Bancorp	8,089	6.2
221	229	Pennsylvania P&L	7,935	2.6
222	257	Ethyl	7,905	18.2
223	254	First Tennessee Natl	7,904	17.8
224	225	Ohio Edison	7,812	–0.4
225	234	Marshall & Ilsley	7,628	2.2
226	233	Carolina Power & Lt	7,523	0.1
227	248	General Public Utils	7,405	7.1
228	240	Cooper Industries	7,149	–0.3
229	202	Sun Co	7,143	–20.6
230	■	Federated Dept Strs	7,127	NA
231	247	Washington Mutual	7,118	2.8
232	238	Consolidated Rail	7,096	–2.1
233	252	Baltimore G&E	7,079	5.5
234	264	First Security	7,015	8.0
235	239	American Stores	6,978	–3.7
236	268	Paramount Commun	6,964	8.7
237	280	Archer Daniels	6,964	14.7
238	250	Gulf States Utils	6,911	0.7
239	256	Stone Container	6,903	3.2
240	208	Union Carbide	6,826	–21.8
241	275	Central Fidelity Bks	6,806	10.3
242	258	Northeast Utilities	6,782	2.7
243	253	Commerce Bcshs	6,765	0.8
244	270	First Alabama Bcshs	6,745	6.3
245	237	Pacific Enterprises	6,701	–8.1
246	255	Capital Cities/ABC	6,696	0.0
247	261	Reynolds Metals	6,685	2.4
248	263	LTV	6,685	2.7
249	318	Coca-Cola Enterprises	6,677	33.0
250	271	Star Banc	6,646	5.6
251	251	Lockheed	6,617	–3.5
252	267	Emerson Electric	6,562	1.8
253	272	INB Financial	6,556	4.7
254	297	First Hawaiian	6,509	18.2
255	249	Scott Paper	6,493	–5.9
256	244	Pinnacle West	6,483	–7.5
257	259	USAir Group	6,454	–1.8
258	292	Whirlpool	6,445	14.8
259	246	Marriott	6,400	–7.6
260	282	Pitney Bowes	6,381	5.3
261	265	First American Corp	6,377	–1.6
262	274	Columbia Gas System	6,332	2.2
263	279	Burlington Northern	6,324	4.1
264	303	Intel	6,292	17.0
265	269	Burlington Resources	6,290	–1.1
266	293	Abbott Laboratories	6,255	12.4
267	312	BB&T Financial	6,229	20.7
268	260	General Dynamics	6,207	–5.6
269	224	CMS Energy	6,194	–21.8
270	281	Panhandle Eastern	6,177	1.8
271	296	Torchmark	6,161	11.3
272	326	Central Bancshares	6,122	24.6
273	302	First Virginia Banks	6,119	13.7
274	277	Raytheon	6,087	–0.5
275	278	PPG Industries	6,056	–0.9
276	311	HJ Heinz	6,029	16.6
277	■	MBNA	6,009	31.2
278	273	WR Grace	6,007	–3.5
279	245	People's Bank	5,989	–13.5
280	262	Meritor Savings Bank	5,975	–8.4
281	291	American Home Prods	5,939	5.4
282	309	Potomac Electric	5,854	11.7
283	235	Hibernia	5,818	–20.9
284	286	Merchants National	5,806	–0.2
285	276	Federal Express	5,806	–5.8
286	287	First Florida Banks	5,770	–0.2
287	289	Union Electric	5,733	0.5
288	295	ICH	5,662	NA
289	306	Kimberly-Clark	5,650	6.9
290	294	TRW	5,635	1.4
291	■	USX-US Steel	5,627	0.8
292	288	James River Corp Va	5,627	–2.0
293	325	AMAX	5,542	12.6
294	243	Riggs National	5,536	–21.5
295	284	Black & Decker	5,533	–6.1
296	299	First Financial Mgmt	5,485	0.1
297	305	Borden	5,481	3.7
298	329	First Citizens Bcshs	5,466	13.3
299	342	West One Bancorp	5,417	18.1
300	320	Ashland Oil	5,356	7.0
301	343	USLife	5,329	16.5
302	330	Sumitomo Bank Calif	5,281	10.1
303	304	Illinois Power	5,272	–1.4
304	307	Pennzoil	5,231	–0.6
305	314	Santa Fe Pacific	5,221	3.0
306	327	Mercantile Bkshs	5,183	6.1
307	337	Safeway	5,181	9.3
308	328	Comdisco	5,148	5.8
309	290	Citadel Holding	5,127	–10.0
310	■	General Cinema	5,092	NA
311	298	Ryder System	5,080	–7.7
312	335	American Natl Ins	5,077	6.8
313	324	Deposit Guaranty	5,059	2.8
314	313	American Cyanamid	5,054	–0.7
315	316	Litton Industries	5,033	–0.3
316	367	Charles Schwab	5,026	20.0
317	317	Florida Progress	5,025	–0.4
318	347	Halliburton	5,017	10.4
319	319	Consol Natural Gas	5,011	0.1
320	315	Texas Instruments	5,009	–0.8
321	351	First Commerce	4,995	11.8
322	398	Arkla	4,970	–2.8
323	352	Jefferson-Pilot	4,925	10.6
324	338	NY State E&G	4,925	4.0
325	341	Puget Sound Bancorp	4,884	6.4
326	344	Allegheny Power	4,855	6.4
327	336	Honeywell	4,807	1.3
328	334	Dun & Bradstreet	4,777	0.5
329	348	Ralston Purina	4,775	5.7
330	333	No States Power	4,751	–0.2
331	331	Boise Cascade	4,729	–1.2
332	355	Union Camp	4,698	6.8
333	362	United Missouri Bcsh	4,692	9.8
334	■	Metropolitan Finl	4,668	2.7
335	300	Commercial Federal	4,664	–14.8

■ Not on 500 list in 1990. NA: Not available.

Rank 1991	Rank 1990	Company	Assets ($mil)	% change
336	359	Woolworth	4,618	7.3
337	345	Transco Energy	4,607	1.3
338	■	Leucadia National	4,590	90.7
339	372	Cincinnati G&E	4,584	10.3
340	322	City National	4,565	–7.9
341	412	Toys 'R' Us	4,548	27.0
342	363	Alleghany	4,539	7.4
343	371	Colgate-Palmolive	4,511	8.5
344	350	CPC International	4,510	0.4
345	370	Humana	4,484	7.8
346	354	New England Electric	4,450	1.0
347	310	Bank South	4,445	–14.3
348	379	Air Prods & Chems	4,417	9.6
349	308	Oryx Energy	4,405	–16.1
350	■	Owens-Illinois	4,399	–13.8
351	364	CSF Holdings	4,384	3.7
352	360	Campbell Soup	4,376	2.2
353	358	PHH	4,358	1.1
354	399	Liberty National	4,338	16.8
355	366	Unitrin	4,272	1.9
356	378	Williams Cos	4,247	5.3
357	395	General Mills	4,240	13.6
358	408	Equitable of Iowa	4,229	15.9
359	380	Viacom	4,188	4.0
360	349	Dana	4,179	–7.4
361	361	Fourth Financial	4,163	–2.7
362	405	Upjohn	4,147	13.1
363	375	Rhône-Poulenc Rorer	4,143	1.4
364	356	Bethlehem Steel	4,128	–5.8
365	373	Kroger	4,114	–0.1
365	386	National Medical	4,095	4.5
367	413	Geico	4,086	14.3
368	406	Melville	4,085	11.6
369	353	Howard Savings Bank	4,067	–7.9
370	389	Wilmington Trust	4,061	5.9
371	355	Times Mirror	4,052	–3.4
372	368	TCF Financial	4,037	–3.6
373	376	Natl Community Bks	4,021	–0.9
374	374	Schering-Plough	4,013	–2.2
375	387	Mead	3,986	2.5
376	416	Valley Bancorp	3,976	12.0
377	357	Rochester Community	3,963	–8.2
378	385	DQE	3,935	0.4
379	394	Kellogg	3,926	4.7
380	402	Hawaiian Electric	3,905	6.3
381	410	Martin Marietta	3,897	7.9
382	404	Gillette	3,887	5.9
383	400	Trustmark	3,878	4.8
384	421	Corning	3,853	9.7
385	384	Premier Bancorp	3,852	–2.2
386	382	Union Planters	3,787	–5.4
387	393	Masco	3,786	0.7
388	369	Downey S&L Assn	3,778	–9.3
389	396	First Bancp Ohio	3,766	1.2
390	397	Summit Bancorp	3,764	1.2
391	407	San Diego G&E	3,748	2.5
392	454	Apple Computer	3,745	18.6
393	323	Northeast Federal	3,736	–24.2
394	437	Southern Natl	3,730	11.6
395	438	Old Republic Intl	3,713	11.6
396	414	Browning-Ferris Inds	3,693	3.7
397	391	Gannett	3,684	–3.7
398	332	Continental Airlines	3,678	–22.9
399	431	St Paul Bancorp	3,663	6.3
400	409	Nipsco Industries	3,648	0.5
401	415	Zions Bancorporation	3,646	2.4
402	426	Farm & Home Finl	3,638	5.6
403	383	PHM	3,635	–9.0
404	424	Dauphin Deposit	3,612	3.5
405	444	Warner-Lambert	3,602	10.4
406	■	Dial	3,592	–1.4
407	266	Discount Corp of NY	3,582	–44.6
408	411	Freeport-McMoRan	3,565	15.0
409	448	Hanover Insurance	3,560	9.8
410	388	Ryland Group	3,559	–7.8
411	428	So New Eng Telecom	3,539	3.1
412	446	Ohio Casualty	3,531	8.6
413	440	GATX	3,514	6.2
414	469	Dillard Dept Stores	3,499	16.3
415	434	Wisconsin Energy	3,496	4.0
416	418	Centel	3,492	–1.4
417	449	Public Service Colo	3,473	7.5
418	439	Northeast Bancorp	3,471	4.4
419	401	Hercules	3,467	–6.3
420	392	Southwest Gas	3,463	–8.0
421	441	Westvaco	3,459	4.5
422	381	American Savings	3,454	–13.9
423	■	Cincinnati Financial	3,436	32.7
424	425	Kerr-McGee	3,421	–1.5
425	481	Limited	3,419	19.0
426	442	Sunwest Financial	3,406	3.4
427	436	RR Donnelley & Sons	3,404	1.8
428	423	TW Holdings	3,385	–3.2
429	417	Penn Central	3,383	–4.6
430	429	Navistar Intl	3,358	–1.7
431	433	SFFed Corp	3,317	–1.4
432	456	Scana	3,306	5.1
433	420	Tandy	3,291	–6.3
434	■	FirstFed Finl	3,287	7.7
435	435	Great A&P Tea	3,249	–3.2
436	466	Maxxam	3,215	6.2
437	451	Sonat	3,208	5.4
438	450	Quantum Chemical	3,199	–0.7
439	457	Dresser Industries	3,191	2.3
440	419	Baltimore Bancorp	3,186	–9.6
441	■	Varity	3,180	–8.4
442	443	Enserch	3,163	–3.1
443	427	Itel	3,162	–25.1
444	430	Equimark	3,152	–7.8
445	■	Chiquita Brands Intl	3,143	44.5
446	459	Northrop	3,128	1.1
447	422	American Medical	3,128	–10.7
448	468	Boston Edison	3,120	3.5
449	467	Eaton	3,087	2.5
450	445	Cullen/Frost Bankers	3,079	–5.4
451	484	Phelps Dodge	3,051	7.9
452	460	Colorado Natl Bkshs	3,044	–1.6
453	476	AMP	3,007	2.7
454	487	Manville	3,003	7.4
455	390	Society for Savings	2,989	–21.9
456	■	Crown Cork & Seal	2,983	14.9
457	472	Ingersoll-Rand	2,980	–0.1
458	499	Progressive	2,979	10.6
459	485	DPL	2,973	2.0
460	463	FirsTier Financial	2,972	–3.4
461	491	Fleming Cos	2,956	6.8
462	■	Uslico	2,942	8.2
463	490	Asarco	2,937	6.0
464	■	Washington Fedl S&L	2,935	10.6
465	489	US Trust	2,917	5.0
466	493	Affiliated Bkshs Colo	2,912	6.4
467	498	Rohm & Haas	2,897	7.2
468	478	Baker Hughes	2,895	–0.4
469	432	Great Lakes Bancorp	2,887	–14.9
470	482	Fina	2,861	0.5
471	■	Becton Dickinson	2,860	9.3
472	480	Whitney Holding	2,858	–0.5
473	464	Greater NY Savings	2,848	–6.7
474	500	Ogden	2,846	5.7
475	461	Quaker Oats	2,844	–7.9
476	■	TECO Energy	2,834	12.8
477	488	Johnson Controls	2,832	1.3
478	496	Compaq Computer	2,826	4.0
479	474	FMC	2,816	–4.9
480	339	CBS	2,799	–40.4
481	470	Tribune	2,795	–1.1
482	■	Comcast	2,794	13.7
483	■	Dole	2,793	15.3
484	■	Alltel	2,787	6.2
485	■	Interpublic Group	2,784	7.7
486	■	Bowater	2,780	21.0
487	486	Alexander & Alexander	2,767	–2.4
488	■	Marion Merrell Dow	2,762	27.9
489	477	Paccar	2,738	–5.8
490	465	Fortune Bancorp	2,724	–10.3
491	■	McKesson	2,714	12.1
492	458	Bally Manufacturing	2,710	–12.8
493	483	Bay View Capital	2,710	–4.7
494	475	Inland Steel Inds	2,693	–8.1
495	■	Horace Mann Educator	2,695	6.2
496	■	Puget Sound P&L	2,666	3.0
497	■	Carnival Cruise Lines	2,650	–1.2
498	■	Rouse	2,637	0.9
499	■	Public Service NH	2,637	5.9
500	471	Multibank Financial	2,632	–12.1

■ Not on 500 list in 1990.



Sales, profits and assets all declined last year. But market valuations for the country's 500 most valuable companies grew smartly, to $3 trillion, as the stock market smelled a recovery.

THE AGGREGATE CAPITALIZATION of the 500 companies with the biggest market valuations grew 16% last year, to almost $3 trillion. This is three-quarters of the net worth of the entire stock market; the other 5,300 smaller companies in the Wilshire index of all publicly traded U.S. shares add only another $900 billion in stock value.

Some of the numbers dazzle. Philip Morris, with a 10% gain in market value between Mar. 22, 1991 and Mar. 20, 1992, is now worth $71 billion. The food and tobacco giant knocked Exxon out of the number one position. Despite becoming the most profitable corporation in the U.S. *(see p. 206)*, Exxon's market capitalization fell 6%, to $68 billion.

Goodyear had one of the most dramatic changes in market value over the last 12 months: It tripled, to $4.8 billion. Stanley Gault, who became Goodyear's chief executive officer last June, cut debt and made the company more efficient. After losing $38 million in fiscal 1990, the tiremaker earned $75 million in fiscal 1991.

Another highflier is Home Depot, whose market value is up 130%, to $13.9 billion. Other companies in this year's winners' circle include IVAX and International Game Technology. International Game Technology, a manufacturer of coin-operated videogames, is profiting from the growing legalization of coin-operated gaming equipment (FORBES, *Mar. 2*).

Rank 1991	Rank 1990	Company	Market value ($mil)	% change
1	2	Philip Morris Cos	70,944	10.2
2	1	Exxon	67,958	-5.7
3	4	General Electric	67,617	16.9
4	5	Wal-Mart Stores	61,186	44.3
5	6	Merck	56,865	41.6

Of the companies ranked on the list below, Compaq Computer had the biggest market value decline. The Houston-based personal computer maker has lost market share to a growing flood of low-priced clones. In 1991 Compaq's sales dropped 9% and earnings fell 71%. Compaq's market value fell 53%, from $5.1 billion in our survey last year to $2.4 billion now. Eckhard Pfeiffer became chief executive of Compaq following a boardroom shakeup in October. Now he is trying to restore Compaq's luster by offering new technology ahead of other firms, and by making Compaq's computers more price competitive.

An exploding market in initial public offerings brought a number of new issues to the Market Value 500. Among them: Duracell International, AutoZone and MBNA.

Will the Market Value 500 climb again next year? Perhaps, but the odds are against it. Last year's impressive increase was due mainly to falling interest rates and Wall Street's hunch that the recession was coming to an end. Neither factor is likely to exert as much influence in the year ahead.

–WARREN MIDGETT

Winners

Rank 1991	Rank 1990	Company	Market value ($mil)	% change
432	■	Intl Game Technology	1,604	341.6
345	■	IVAX	2,153	288.9
477	■	Office Depot	1,444	271.6
168	435	Goodyear	4,752	267.2
280	■	Fruit of the Loom	2,644	249.8

■ Not on 500 list in 1990.

Losers

Rank 1991	Rank 1990	Company	Market value ($mil)	% change
312	127	Compaq Computer	2,410	-53.0
470	214	Oryx Energy	1,474	-49.5
279	122	Halliburton	2,648	-49.1
476	243	Pacific Enterprises	1,451	-44.3
396	213	Pennzoil	1,771	-39.4

MARKET VALUE

THE FORBES 500

Rank 1991	Rank 1990	Company	Market value ($mil)	% change
6	8	Coca-Cola	53,823	49.2
7	9	American Tel & Tel	53,223	48.2
8	3	IBM	49,179	-22.9
9	7	Bristol-Myers Squibb	41,627	4.0
10	11	Procter & Gamble	34,053	19.4
11	12	General Motors	32,078*	13.9
12	10	Johnson & Johnson	31,984	5.1
13	18	El du Pont	30,997	26.8
14	19	GTE	27,349	28.4
15	15	PepsiCo	25,942	0.0
16	22	Abbott Laboratories	25,667	27.0
17	28	American Home Prods	23,987	35.5
18	29	Pfizer	23,432	36.4
19	16	Mobil	23,301	-9.8
20	47	Microsoft	22,783	110.2
21	14	Amoco	22,025	-19.1
22	13	Chevron	21,917	-19.9
23	17	BellSouth	21,658	-15.2
24	21	Eli Lilly	20,870	2.9
25	44	Hewlett-Packard	20,863	78.6
26	26	Waste Management	20,547	11.7
27	25	Minn Mining & Mfg	19,777	3.1
28	34	Walt Disney	19,574	26.6
29	35	Ford Motor	19,512	26.5
30	24	American Intl Group	19,104	-0.6
31	43	Federal Natl Mortgage	17,712	51.5
32	33	Southwestern Bell	17,640	8.7
33	23	Bell Atlantic	16,733	-14.9
34	38	Anheuser-Busch Cos	16,462	15.2
35	40	Dow Chemical	16,276	26.3
36	45	Sears, Roebuck	16,245	45.1
37	20	Atlantic Richfield	15,723	-25.8
38	30	Pacific Telesis	15,640	-7.3
39	27	Ameritech	15,565	-12.6
40	42	McDonald's	15,465	28.1
41	32	Boeing	15,237	-7.1
42	31	Texaco	14,736	-11.2
43	37	Nynex	14,620	1.5
44	36	US West	13,897	-9.8
45	101	Home Depot	13,854	130.1
46	46	Kellogg	13,829	24.4
47	63	Intel	13,241	51.6
48	39	Eastman Kodak	13,200	-5.7
49	48	Pacific G&E	12,736	17.6
50	61	Sara Lee	12,351	37.1
51	54	Emerson Electric	12,330	27.3
52	49	Schering-Plough	11,427	6.1
53	67	JP Morgan & Co	11,182	33.8
54	56	General Mills	11,107	19.0
55	55	RJR Nabisco	11,059	17.3
56	■	NationsBank	10,955	71.9
57	72	Kmart	10,916	36.6
58	57	Limited	10,803	16.5
59	83	Gillette	10,548	50.7
60	41	American Express	10,506	-18.5
61	60	Baxter International	10,330	13.9
62	75	Motorola	10,278	36.3
63	59	Berkshire Hathaway	10,228	12.6
64	76	Toys 'R' Us	10,098	35.5
65	68	Dun & Bradstreet	10,082	21.0
66	62	Southern Co	10,061	13.8
67	82	Union Pacific	9,923	38.1
68	81	BankAmerica	9,904	37.5
69	50	Marion Merrell Dow	9,636	-9.4
70	100	Time Warner	9,580	60.2
71	52	HJ Heinz	9,303	-7.4
72	64	SCEcorp	9,230	8.0
73	51	Campbell Soup	9,184	-10.4
74	58	American Brands	8,930	-3.1
75	119	Banc One	8,893	67.7
76	88	MCI Communications	8,848	34.6
77	53	Warner-Lambert	8,732	-11.0
78	179	Novell	8,724	150.6
79	91	Archer Daniels	8,662	35.9
80	89	International Paper	8,645	31.6
81	■	Chemical Banking	8,559	213.9
82	84	Monsanto	8,529	22.1
83	85	Kimberly-Clark	8,524	23.7
84	86	Norfolk Southern	8,417	23.9
85	137	Amgen	8,258	71.7
86	80	Texas Utilities	8,059	11.7
87	71	General Re	8,058	0.3
88	108	Rhône-Poulenc Rorer	7,877	40.2
89	99	JC Penney	7,830	30.1
90	147	Fed Home Loan Mtg	7,728	73.9
91	78	Apple Computer	7,569	2.4
92	65	Commonwealth Ed	7,551	-11.1
93	95	ITT	7,524	21.5
94	143	Weyerhaeuser	7,425	62.3
95	98	May Dept Stores	7,398	22.0
96	73	Capital Cities/ABC	7,271	-7.3
97	162	Allied-Signal	7,236	88.5
98	118	Food Lion	7,214	35.7
99	132	Xerox	7,187	45.6
100	130	Colgate-Palmolive	7,138	41.8
101	79	Loews	7,123	-2.6
102	66	Digital Equipment	7,072	-15.9
103	70	Upjohn	6,871	-16.9
104	69	Westinghouse	6,672	-19.7
105	94	CPC International	6,644	7.3
106	103	Duke Power	6,627	13.8
107	87	Gannett	6,625	-0.8
108	107	United Technologies	6,571	15.4
109	129	PPG Industries	6,534	29.3
110	112	Corning	6,484	17.2
111	150	Automatic Data	6,427	52.3
112	113	AMP	6,390	16.3
113	117	Cooper Industries	6,381	19.9
114	97	ConAgra	6,378	4.8
115	175	CSX	6,327	76.4
116	185	Gap	6,253	84.4
117	102	Pub Svc Enterprise	6,232	5.6
118	77	Phillips Petroleum	6,202	-16.6
119	120	Raytheon	6,180	16.7
120	105	Consolidated Edison	6,165	7.5
121	139	Citicorp	6,103	29.5
122	166	Georgia-Pacific	6,032	60.9
123	115	Tele-Communications	6,018	11.7
124	141	Sallie Mae	6,017	31.3
125	111	Alcoa	5,988	7.5
126	191	Merrill Lynch	5,958	80.0
127	140	UST Inc	5,927	27.9
128	181	AMR	5,916	70.3
129	114	Occidental Petroleum	5,851	6.7
130	131	American Cyanamid	5,807	15.9
131	109	Albertson's	5,798	3.4
132	90	Rockwell Intl	5,782	-9.4
133	121	American Electric	5,744	10.2
134	93	Ralston Purina	5,740	-8.2
135	135	Dominion Resources	5,721	17.9
136	110	Chubb	5,707	2.1
137	106	PacifiCorp	5,701	0.2
138	167	Reader's Digest Assn	5,695	52.0
139	247	US Surgical	5,680	121.5
140	136	FPL Group	5,678	18.0
141	149	McCaw Cellular	5,607	29.0
142	142	Houston Industries	5,472	19.4
143	104	Marsh & McLennan	5,460	-6.2
144	■	USX-Marathon	5,455	NA
145	161	Pitney Bowes	5,418	40.1
146	144	Paramount Commun	5,404	18.1
147	153	Philadelphia Elec	5,391	28.2
148	126	Melville	5,319	3.3
149	219	PNC Financial	5,296	86.3
150	156	Rubbermaid	5,266	33.0
151	197	Chrysler	5,255	64.4
152	154	Honeywell	5,132	23.4
153	184	Wachovia	5,127	50.7
154	211	Security Pacific	5,060	71.7
155	183	Air Prods & Chems	5,059	46.8
156	188	NIKE	5,045	49.3
157	312	Turner Broadcasting	5,042	155.0
158	146	Entergy	5,029	13.1
159	134	Caterpillar	5,021	3.1
160	96	Unocal	4,985	-19.4
161	182	SunTrust Banks	4,889	41.5
162	151	Central & So West	4,848	15.1
163	116	Tenneco	4,845	-9.7
164	133	Aetna Life & Cas	4,816	-1.7
165	125	Sprint	4,800	-7.0
166	128	Borden	4,799	-5.6
167	168	Dillard Dept Stores	4,798	28.3
168	435	Goodyear	4,752	267.2
169	171	Times Mirror	4,739	28.3
170	145	American General	4,721	5.9

■ Not on 500 list in 1990. NA: Not available.
*Includes Class E and H stock.

Rank 1991	Rank 1990	Company	Market value ($mil)	% change
171	186	Bankers Trust NY	4,718	39.2
172	123	Burlington Resources	4,674	–10.0
173	254	Norwest	4,653	59.2
174	152	Detroit Edison	4,575	8.8
175	242	Carnival Cruise Lines	4,569	75.0
176	190	Medtronic	4,565	37.1
177	138	Dayton Hudson	4,550	–5.1
178	249	Medco Containment	4,547	78.7
179	274	First Union	4,468	98.4
180	263	Costco Wholesale	4,464	86.9
181	155	Walgreen	4,415	6.7
182	148	Quaker Oats	4,399	1.1
183	193	Masco	4,363	32.7
184	215	Morgan Stanley	4,345	51.2
185	198	Primerica	4,277	35.6
186	164	Carolina Power & Lt	4,239	11.6
187	194	Sysco	4,238	30.1
188	231	Viacom	4,193	56.3
189	158	Woolworth	4,074	3.0
190	225	Great Lakes Chemical	4,052	45.6
191	163	Deere & Co	4,021	5.2
192	189	Cigna	3,992	19.4
193	209	Intl Flavors & Frags	3,960	32.8
194	240	WR Grace	3,926	48.9
195	124	Humana	3,921	–24.1
196	174	RR Donnelley & Sons	3,886	6.7
197	218	Enron	3,755	31.9
198	229	Union Camp	3,729	37.3
199	172	Hershey Foods	3,720	1.5
200	202	Genuine Parts	3,719	21.8
201	208	Illinois Tool Works	3,713	24.5
202	192	Pennsylvania P&L	3,706	12.3
203	283	Burlington Northern	3,661	66.4
204	237	Centel	3,617	36.5
205	233	H&R Block	3,605	34.5
206	199	UAL	3,587	16.5
207	173	Wells Fargo	3,577	–1.9
208	157	Browning-Ferris Inds	3,527	–10.9
209	333	Chase Manhattan	3,514	92.2
210	351	Fleet/Norstar Finl	3,466	101.9
211	255	Dow Jones	3,464	40.8
212	319	Consolidated Rail	3,443	81.7
213	196	Deluxe	3,436	6.7
214	180	Reynolds Metals	3,428	–1.5
215	200	Rohm & Haas	3,421	11.4
216	271	Ingersoll-Rand	3,390	49.2
217	230	Transamerica	3,387	25.3
218	165	Liz Claiborne	3,383	–10.8
219	203	Union Electric	3,383	10.9
220	268	US Healthcare	3,368	43.8
221	222	NBD Bancorp	3,362	18.9
222	467	KeyCorp	3,311	177.4
223	227	Genentech	3,297	19.8
224	159	Fluor	3,294	–15.7
225	220	Winn-Dixie Stores	3,288	16.0
226	236	Textron	3,282	23.8
227	210	Delta Air Lines	3,274	10.4
228	252	Geico	3,268	30.6
229	262	Avon Products	3,267	36.6
230	207	Salomon	3,246	8.0
231	311	ALZA	3,244	63.5
232	327	Whirlpool	3,230	73.8
233	281	Union Carbide	3,196	44.2
234	216	Scott Paper	3,125	8.8
235	253	Knight-Ridder	3,124	26.2
236	297	Freeport-McMoRan	3,109	48.2
237	204	Alltel	3,088	1.3
238	■	Duracell Intl	3,088	NA
239	160	Amerada Hess	3,071	–21.1
240	289	Morton International	3,061	41.0
241	310	Temple-Inland	3,061	51.6
242	217	St Paul Cos	3,046	6.4
243	223	McGraw-Hill	3,035	7.9
244	228	Nordstrom	3,008	9.9
245	304	WW Grainger	2,998	46.2
246	239	Tribune	2,993	13.2
247	224	Ohio Edison	2,975	6.1
248	177	Ethyl	2,973	–15.2
249	176	Consol Natural Gas	2,969	–15.6
250	206	Sun Microsystems	2,968	–2.0
251	384	Computer Associates	2,967	97.3
252	264	Safeco	2,958	24.5
253	272	Phelps Dodge	2,947	29.9
254	241	Reebok International	2,945	12.8
255	178	Sun Co	2,944	–16.0
256	226	Torchmark	2,936	6.3
257	331	Newell Co	2,920	58.7
258	330	Roadway Services	2,920	58.4
259	266	Bausch & Lomb	2,864	21.7
260	279	Northeast Utilities	2,847	27.4
261	238	General Public Utils	2,840	7.4
262	269	TRW	2,838	21.3
263	201	Texas Instruments	2,813	–8.3
264	234	Washington Post	2,810	5.3
265	244	Lockheed	2,804	7.9
266	■	Storage Technology	2,791	180.3
267	270	Aon	2,790	20.3
268	380	Fifth Third Bancorp	2,786	80.2
269	326	Federal Express	2,750	46.8
270	275	Wm Wrigley Jr	2,722	20.8
271	338	Bank of New York	2,714	49.1
272	232	Martin Marietta	2,700	0.8
273	295	Capital Holding	2,688	27.4
274	221	Becton Dickinson	2,683	–5.2
275	195	Dresser Industries	2,678	–17.3
276	452	General Dynamics	2,667	116.9
277	315	Eaton	2,657	35.5
278	373	Hillenbrand Inds	2,652	68.5
279	122	Halliburton	2,648	–49.1
280	■	Fruit of the Loom	2,644	249.8
281	413	VF	2,641	93.0
282	■	AutoZone	2,641	NA
283	287	Gerber Products	2,622	20.4
284	259	Champion Intl	2,615	8.7
285	257	Newmont Mining	2,605	6.9
286	299	Tambrands	2,589	23.6
287	290	Imcera Group	2,575	20.0
288	309	National City	2,574	27.2
289	293	Clorox	2,572	20.5
290	316	Niagara Mohawk Pwr	2,569	31.3
291	344	Crown Cork & Seal	2,566	44.2
292	248	Long Island Lighting	2,561	0.0
293	250	Baltimore G&E	2,561	6.6
294	235	Centerior Energy	2,558	–4.0
295	296	Potomac Electric	2,557	21.3
296	388	First Fidelity Bncp	2,541	71.3
297	■	United HealthCare	2,533	141.2
298	356	New York Times	2,521	49.1
299	321	Sherwin-Williams	2,520	33.3
300	282	No States Power	2,502	13.1
301	317	Hercules	2,492	31.0
302	314	UNUM	2,487	26.6
303	375	Biomet	2,487	58.7
304	343	Golden West Finl	2,478	38.5
305	325	CoreStates Financial	2,473	32.0
306	277	Wisconsin Energy	2,467	10.2
307	■	Cisco Systems	2,457	246.0
308	250	San Diego G&E	2,441	–3.1
309	329	Blockbuster	2,419	31.0
310	261	Dover	2,418	1.1
311	323	Westvaco	2,410	28.0
312	127	Compaq Computer	2,410	–53.0
313	265	Nalco Chemical	2,400	1.9
314	169	National Medical	2,392	–35.9
315	288	Price Co	2,383	9.7
316	280	Lincoln National	2,380	13.6
317	170	Baker Hughes	2,374	–35.8
318	187	Coastal Corp	2,373	–29.8
319	307	Florida Progress	2,365	16.2
320	246	Tyson Foods	2,353	–9.1
321	493	Louisiana-Pacific	2,348	112.9
322	365	National Health Labs	2,348	45.8
323	334	First Interstate Bncp	2,346	28.4
324	286	Gt Western Financial	2,336	6.9
325	328	Pall	2,319	25.3
326	350	Circus Circus	2,315	34.6
327	212	American Stores	2,311	–21.2
328	258	Tandy	2,307	–4.7
329	402	McDonnell Douglas	2,294	61.2
330	340	Aflac	2,283	26.7
331	353	State Street Boston	2,281	33.1
332	306	Allegheny Power	2,271	11.3
333	318	Hilton Hotels	2,271	19.5
334	342	Lubrizol	2,266	26.2
335	446	Santa Fe Pacific	2,257	80.0

■ Not on 500 list in 1990. NA: Not available.

Rank 1991	Rank 1990	Company	Market value ($mil)	% change
336	360	Mead	2,252	35.0
337	428	Hasbro	2,252	70.1
338	278	CBS	2,247	0.4
339	366	US Bancorp	2,234	38.8
340	419	Barnett Banks	2,233	64.1
341	294	St Jude Medical	2,214	4.6
342	463	Oracle Systems	2,196	82.5
343	377	Household Intl	2,183	40.6
344	324	TECO Energy	2,170	15.7
345	■	IVAX	2,153	288.9
346	458	Mattel	2,149	76.3
347	■	Cooper Tire & Rubber	2,141	113.9
348	371	Interpublic Group	2,134	35.1
349	320	Republic New York	2,127	12.4
350	■	Stone Container	2,123	167.0
351	397	Stanley Works	2,118	45.4
352	354	Sigma-Aldrich	2,114	23.5
353	267	Travelers	2,097	–10.6
354	453	Willamette Inds	2,089	70.3
355	361	Nucor	2,087	26.3
356	379	Maytag	2,087	34.9
357	292	Dole	2,086	–2.6
358	341	Comcast	2,086	16.0
359	431	First Bank System	2,078	57.8
360	415	First Chicago	2,067	51.8
361	■	Pet	2,043	NA
362	291	Brown-Forman	2,039	–4.8
363	358	Cincinnati G&E	2,033	21.0
364	412	Pioneer Hi-Bred Intl	2,024	47.5
365	390	McCormick & Co	2,022	36.8
366	400	Citizens Utilities	2,001	36.5
367	■	MBNA	1,986	NA
368	427	Franklin Resources	1,983	49.1
369	348	Litton Industries	1,980	13.1
370	484	Mellon Bank	1,975	72.8
371	418	Paccar	1,953	43.5
372	385	Premier Industrial	1,948	30.5
373	352	New England Electric	1,933	12.8
374	336	Ashland Oil	1,931	5.9
375	368	Amdahl	1,929	20.7
376	437	MBIA	1,928	50.3
377	420	Bear Stearns Cos	1,927	41.7
378	378	Cincinnati Financial	1,922	23.9
379	313	HF Ahmanson	1,918	–2.7
380	303	So New Eng Telecom	1,902	–7.6
381	455	Society	1,885	53.8
382	346	Lyondell Petrochem	1,870	6.3
383	362	NY State E&G	1,862	15.3
384	367	FlightSafety Intl	1,861	16.2
385	387	Jefferson-Pilot	1,859	25.0
386	369	Consolidated Papers	1,847	16.0
387	392	EW Scripps	1,846	25.4
388	302	Super Valu Stores	1,843	–10.9
389	301	Kerr-McGee	1,822	–12.1
390	339	Rite Aid	1,811	0.3
391	441	Ryder System	1,807	43.2
392	■	Comerica	1,799	87.7
393	■	Stryker	1,799	99.3
394	273	Tyco Laboratories	1,783	–21.1
395	256	CMS Energy	1,776	–27.3
396	213	Pennzoil	1,771	–39.4
397	403	Mapco	1,769	24.8
398	300	James River Corp Va	1,763	–15.8
399	454	Northern Trust	1,751	42.8
400	450	Bandag	1,747	40.4
401	305	Unitrin	1,735	–15.3
402	■	General Cinema	1,729	2.1
403	■	Borland Intl	1,719	68.8
404	425	Alco Standard	1,714	28.8
405	■	Southwest Airlines	1,712	60.0
406	468	Parker Hannifin	1,706	43.4
407	474	Loctite	1,702	45.0
408	285	AMAX	1,684	–23.1
409	406	DPL	1,674	19.0
410	381	Marriott	1,671	9.5
411	298	Coca-Cola Enterprises	1,671	–20.3
412	444	FMC	1,667	32.7
413	416	Illinois Power	1,664	22.2
414	496	Johnson Controls	1,661	51.8
415	434	Snap-on Tools	1,658	28.0
416	429	Boatmen's Bancshs	1,654	25.3
417	478	Beneficial Corp	1,651	42.0
418	396	Hubbell	1,651	13.2
419	357	Chiquita Brands Intl	1,643	–2.3
420	■	Shaw Industries	1,642	138.0
421	■	T2 Medical	1,633	121.4
422	399	Safeway	1,633	12.8
423	■	HealthTrust	1,630	NA
424	393	Avery Dennison	1,623	10.3
425	374	Sonoco Products	1,620	3.1
426	401	Betz Laboratories	1,616	13.3
427	■	BMC Software	1,615	65.6
428	430	Panhandle Eastern	1,609	22.0
429	■	Policy Mgmt Sys	1,609	71.5
430	479	Engelhard	1,608	38.7
431	■	Circuit City Stores	1,608	112.5
432	■	Intl Game Technology	1,604	341.6
433	245	Whitman	1,603	NA
434	394	Scana	1,602	8.8
435	■	Dial	1,601	NA
436	491	Sundstrand	1,600	44.3
437	■	Firstar	1,599	132.7
438	■	Unisys	1,597	83.5
439	345	Kroger	1,596	–9.9
440	405	Molex	1,592	13.1
441	■	Black & Decker	1,592	91.4
442	480	Dana	1,584	37.2
443	■	Charming Shoppes	1,581	123.5
444	■	Lotus Development	1,581	51.3
445	■	Advanced Micro	1,579	70.5
446	■	Cabletron Systems	1,570	50.7
447	363	BHC Commun	1,567	–2.8
448	382	Kemper	1,563	2.8
449	■	AES	1,563	NA
450	■	Owens-Illinois	1,562	NA
451	370	Oklahoma G&E	1,557	–1.9
452	417	Dreyfus	1,557	14.4
453	447	CR Bard	1,542	23.0
454	383	Allergan	1,542	1.4
455	433	Murphy Oil	1,534	18.4
456	414	Nipsco Industries	1,525	11.8
457	■	Pinnacle West	1,523	63.0
458	■	First Financial Mgmt	1,522	89.1
459	■	Carter-Wallace	1,518	67.9
460	391	Continental Corp	1,518	2.9
461	422	DQE	1,508	12.2
462	407	Union Texas Petrol	1,500	6.9
463	438	Williams Cos	1,498	17.8
464	432	Vulcan Materials	1,495	15.0
465	481	EG&G	1,495	30.2
466	448	Public Service Colo	1,495	19.6
467	459	Teledyne	1,489	22.2
468	■	Lowe's Cos	1,476	42.9
469	■	Russell	1,476	52.2
470	214	Oryx Energy	1,474	–49.5
471	404	Mercantile Stores	1,474	4.6
472	398	Equifax	1,468	1.1
473	466	American Greetings	1,465	22.2
474	■	Premark Intl	1,462	118.8
475	460	Polaroid	1,455	19.8
476	243	Pacific Enterprises	1,451	–44.3
477	■	Office Depot	1,444	271.6
478	355	Giant Food	1,444	–15.6
479	■	Medical Care Intl	1,437	58.3
480	■	Surgical Care Affils	1,435	113.6
481	■	Bank of Boston	1,433	189.2
482	■	Manufacturers Natl	1,432	74.6
483	■	Mylan Labs	1,430	47.6
484	■	Owens-Corning	1,425	41.1
485	■	Worthington Inds	1,419	54.2
486	■	Charles Schwab	1,412	201.5
487	■	Unifi	1,405	88.6
488	349	Geo A Hormel	1,400	–18.9
489	■	Stride Rite	1,390	42.9
490	461	Brunswick	1,384	14.1
491	440	Gulf States Utils	1,383	8.9
492	482	Service Corp Intl	1,380	20.4
493	■	Metro Mobile CTS	1,380	59.8
494	465	Puget Sound P&L	1,368	13.8
495	332	Safety-Kleen	1,363	–25.5
496	424	Tandem Computers	1,358	1.9
497	477	Alexander & Baldwin	1,352	15.9
498	■	Bancorp Hawaii	1,351	37.4
499	395	Forest Labs	1,348	–8.3
500	■	Huntington Bcshs	1,345	57.0

■ Not on 500 list in 1990. NA: Not available.

The biggest corporations aren't creating a lot of new positions.

THE 790 COMPANIES that appear in one or more of the four Forbes 500 rankings employ 20.8 million people, a gain of 135,000 from the total on last year's list. That is not a bad showing at a time when the economy may barely be emerging from a recession and when many giants (notably, IBM and General Motors) are retrenching. But don't read too much into this total. On closer inspection, most of the gain proves to be a statistical artifact.

For one thing, this year's list contains 14 more companies, a reflection of merger activity and the dynamics in the ranking process. When, for example, Chemical Bank acquired Manufacturers Hanover, it opened up the positions that Manufacturers Hanover held on each of our four ranking lists (sales, profits, assets and market value).

Next, two big newcomers—Federated Department Stores and Owens-Illinois—account between them for 112,000 jobs. These aren't new jobs. They got added to the total when these firms returned to the public arena.

But even in a recession some firms hired workers. One example: With sales up 10% PepsiCo added 36,000 people. Such job creation counterbalanced many cutbacks.

The biggest employers

Rank 1991	Rank 1990	Company	Employees (000)	% change
1	1	General Motors	756.3	–0.7
2	2	Sears, Roebuck	460.0	–4.2
3	5	Kmart	361.0	–2.2
4	4	IBM	358.8	–5.2
5	6	Wal-Mart Stores	349.5	16.9

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Aerospace & defense							
1	General Electric	15.2	207.0	(1)	578.2	(1)	291.0
2	Boeing	9.8	184.2	(3)	99.2	(9)	159.1
3	Sundstrand	8.4	129.4	(11)	133.3	(4)	12.9
4	Raytheon	8.0	125.1	(12)	82.1	(16)	74.2
5	Harsco	7.4	186.8	(2)	101.9	(7)	10.4
6	Northrop	7.2	153.1	(7)	84.1	(15)	37.2
7	Rockwell Intl	6.2	122.3	(13)	97.8	(10)	94.5
8	Loral	6.1	157.5	(6)	137.7	(3)	18.2
9	E-Systems	5.9	107.5	(16)	58.0	(20)	18.5
10	Textron	5.7	147.9	(8)	296.9	(2)	53.0
11	General Dynamics	5.6	97.9	(21)	69.4	(18)	89.4
12	Martin Marietta	5.1	99.7	(20)	63.9	(19)	61.0
13	Lockheed	4.2	135.0	(10)	91.1	(13)	72.7
14	Grumman	4.0	159.5	(5)	95.1	(12)	24.9
15	McDonnell Douglas	3.7	160.2	(4)	128.9	(5)	115.2
16	GenCorp	2.3	140.4	(9)	78.4	(17)	14.2
17	Litton Industries	1.3	106.2	(18)	97.8	(10)	51.5
18	Sequa	–0.4	106.7	(17)	120.0	(6)	17.6
19	Teledyne	–0.8	102.5	(19)	54.9	(21)	31.3
20	Allied-Signal	–2.7	115.9	(14)	101.7	(8)	102.1
21	United Technologies	–5.4	110.4	(15)	84.6	(14)	188.9
	Industry medians	**5.6**	**129.4**		**97.8**		
Business-industrial services							
1	AES	94.1	736.2	(1)	3,178.8	(1)	0.5
2	Waste Management	9.7	120.8	(4)	201.2	(2)	62.5
3	Safety-Kleen	8.4	113.0	(5)	147.0	(3)	6.2
4	JWP	2.9	171.2	(2)	108.6	(5)	21.0
5	Browning-Ferris Inds	1.7	121.9	(3)	141.5	(4)	26.1
6	Ogden	1.0	35.6	(6)	64.7	(6)	44.0
	Industry medians	**5.7**	**121.4**		**144.3**		
Business-services							
1	FlightSafety Intl	31.5	116.4	(4)	300.4	(3)	2.3
2	Automatic Data	12.6	95.3	(6)	87.3	(6)	19.0
3	Policy Mgmt Sys	11.1	96.5	(5)	137.5	(4)	4.3
4	PHH	10.5	438.4	(1)	956.5	(1)	4.6
5	First Financial Mgmt	9.4	158.8	(3)	577.9	(2)	9.5
6	Equifax	3.9	79.3	(8)	51.9	(8)	13.8
7	Computer Sciences	2.9	86.4	(7)	59.6	(7)	22.5
8	Manpower	–5.5	288.7	(2)	101.1	(5)	9.7
	Industry medians	**10.0**	**106.5**		**119.3**		
Business-supplies							
1	Comdisco	31.9	1,060.8	(1)	2,485.8	(1)	2.1
2	Minn Mining & Mfg	13.0	149.8	(4)	124.5	(4)	89.0
3	Deluxe	10.5	84.9	(7)	63.3	(7)	17.4
4	Pitney Bowes	9.9	112.3	(6)	215.0	(3)	29.7
5	Xerox	4.1	162.8	(3)	289.1	(2)	109.5
6	Alco Standard	3.6	242.1	(2)	98.1	(5)	19.9
7	Avery Dennison	3.5	141.7	(5)	96.9	(6)	18.0
	Industry medians	**9.9**	**149.8**		**124.5**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Capital goods-electrical equipment							
1	Hubbell	16.4	136.5	(2)	123.7	(3)	5.5
2	Premier Industrial	15.5	134.4	(3)	79.8	(6)	4.7
3	WW Grainger	14.7	238.4	(1)	139.6	(2)	8.7
4	Emerson Electric	9.2	107.1	(5)	94.4	(4)	69.5
5	Honeywell	5.6	104.5	(6)	81.1	(5)	59.3
6	National Service	1.2	75.1	(7)	47.7	(7)	21.4
7	Westinghouse	-9.6	112.6	(4)	177.4	(1)	113.7
	Industry medians	**9.2**	**112.6**		**94.4**		
Capital goods-heavy equipment							
1	Harnischfeger Inds	5.2	129.1	(4)	125.4	(4)	11.9
2	Ingersoll-Rand	4.6	110.6	(5)	91.9	(5)	32.4
3	Deere & Co	0.1	188.6	(1)	310.1	(1)	37.5
4	Caterpillar	-7.2	181.7	(2)	214.9	(2)	56.0
5	Tenneco	-8.1	151.0	(3)	206.6	(3)	90.5
	Industry medians	**0.1**	**151.0**		**206.6**		
Capital goods-other industrial equipment							
1	Illinois Tool Works	9.7	142.3	(2)	121.7	(2)	18.6
2	Cooper Industries	7.1	110.6	(6)	128.3	(1)	55.7
3	Dover	6.5	111.6	(4)	68.9	(8)	19.7
4	Stanley Works	5.4	111.5	(5)	87.9	(6)	17.6
5	Tyco Laboratories	4.0	124.6	(3)	99.9	(4)	24.7
6	General Signal	3.5	105.9	(7)	77.3	(7)	15.3
7	EG&G	2.3	76.8	(11)	19.9	(11)	35.0
8	Parker Hannifin	1.6	80.9	(10)	64.1	(9)	29.1
9	York Intl	1.3	161.2	(1)	117.6	(3)	10.3
10	Timken	-2.0	90.0	(9)	96.1	(5)	18.3
11	Trinova	-9.9	90.6	(8)	57.7	(10)	18.6
	Industry medians	**3.5**	**110.6**		**87.9**		
Chemicals-diversified							
1	Dow Chemical	15.2	302.6	(1)	397.9	(1)	62.2
2	Rohm & Haas	12.6	214.3	(6)	224.6	(6)	12.9
3	El du Pont	10.1	275.5	(3)	260.8	(4)	138.5
4	FMC	7.4	165.8	(8)	119.7	(10)	23.5
4	Monsanto	7.4	220.6	(5)	229.4	(5)	40.2
6	Hercules	5.1	157.5	(9)	186.4	(7)	18.6
7	Union Carbide	-0.5	283.3	(2)	396.5	(2)	17.2
8	Olin	-0.9	153.7	(10)	135.9	(9)	14.8
9	BF Goodrich	-5.5	169.8	(7)	156.0	(8)	14.6
10	Quantum Chemical	-13.4	271.0	(4)	348.7	(3)	9.2
	Industry medians	**6.3**	**217.5**		**227.0**		
Chemicals-specialized							
1	Lyondell Petrochem	98.2	2,535.0	(1)	654.4	(2)	2.3
2	Georgia Gulf	56.4	769.8	(2)	381.6	(4)	1.1
3	Intl Flavors & Frags	40.2	242.2	(6)	289.9	(8)	4.2
4	Ethyl	35.3	440.1	(3)	1,351.3	(1)	5.9
5	Gt Lakes Chemical	28.6	237.7	(7)	299.8	(7)	5.5
6	Lubrizol	23.6	282.1	(4)	223.9	(10)	5.2
7	Nalco Chemical	21.7	194.9	(12)	208.7	(11)	6.3
8	Cabot	21.3	259.6	(5)	278.0	(9)	5.7
9	Loctite	19.8	154.4	(15)	145.5	(14)	3.6
10	Betz Laboratories	19.7	173.8	(14)	124.2	(16)	3.8
11	Sigma-Aldrich	18.9	139.5	(17)	134.4	(15)	4.2
12	Air Prods & Chems	17.7	207.5	(10)	308.9	(6)	14.3
13	IMC Fertilizer Group	15.0	183.3	(13)	313.9	(5)	6.0
14	Morton International	14.4	197.6	(11)	201.7	(12)	10.0
15	Freeport-McMoRan	12.9	211.5	(9)	477.4	(3)	7.5
16	Witco	10.4	229.9	(8)	168.9	(13)	7.1
17	Sherwin-Williams	7.8	153.7	(16)	97.5	(18)	16.5
18	WR Grace	4.4	123.1	(18)	122.2	(17)	49.2
	Industry medians	**19.8**	**209.5**		**251.0**		
Computers & communications-major systems							
1	AST Research	28.3	333.6	(2)	207.8	(7)	2.5
2	Apple Computer	22.5	448.6	(1)	258.7	(3)	14.5
3	Cray Research	22.1	168.3	(9)	210.5	(6)	5.1
4	Sun Microsystems	16.6	288.3	(5)	195.3	(8)	12.0
5	Compaq Computer	12.1	302.9	(4)	261.7	(2)	10.8
6	Hewlett-Packard	9.4	165.0	(10)	135.5	(10)	90.6
7	Data General	8.1	126.9	(12)	104.2	(12)	9.6
8	Intergraph	7.1	120.1	(13)	100.2	(13)	10.0
9	Harris Corp	2.8	93.5	(16)	75.4	(15)	32.1
10	Amdahl	0.5	188.1	(6)	258.1	(4)	9.1
11	IBM	-1.6	180.6	(7)	257.7	(5)	358.8
12	Tandem Computers	-6.0	174.9	(8)	177.5	(9)	11.1
13	Digital Equipment	-7.1	116.2	(14)	97.5	(14)	122.5
14	Unisys	-20.6	128.3	(11)	124.4	(11)	67.8
15	Wang Laboratories	-20.7	105.8	(15)	71.5	(16)	18.3
16	Itel	-23.2	318.7	(3)	596.6	(1)	5.3
	Industry medians	**5.0**	**171.6**		**186.4**		
Computers & communications-peripherals							
1	Cisco Systems	154.7	642.3	(2)	575.1	(1)	0.4
2	Intel	33.4	195.1	(4)	256.9	(3)	24.5
3	Cabletron Systems	31.1	155.9	(7)	123.3	(8)	1.7
4	Intl Game Technology	16.1	114.0	(9)	166.6	(5)	2.2
5	Advanced Micro	12.5	105.5	(12)	111.1	(11)	11.6
6	AMP	10.5	124.5	(8)	121.0	(9)	24.9
7	Conner Peripherals	10.4	179.8	(5)	150.1	(7)	8.9
8	Molex	9.2	108.2	(11)	113.1	(10)	6.8
8	Storage Technology	9.2	156.1	(6)	167.5	(4)	10.2
10	Merisel	7.9	1,159.0	(1)	371.8	(2)	1.4
11	Avnet	6.9	229.7	(3)	159.4	(6)	7.4
12	Motorola	4.4	109.6	(10)	90.6	(12)	103.5
13	Seagate Technology	-0.3	65.7	(14)	42.9	(14)	40.7
14	Natl Semiconductor	-4.5	53.5	(15)	33.7	(15)	31.3
15	Texas Instruments	-6.1	101.8	(13)	75.2	(13)	66.6
	Industry medians	**9.2**	**124.5**		**123.3**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Computers & communications-software							
1	Microsoft	83.9	328.4	(1)	307.1	(2)	6.9
2	Novell	70.0	270.0	(2)	302.9	(3)	2.6
3	BMC Software	54.6	226.3	(3)	268.9	(4)	0.8
4	Computer Associates	25.4	211.4	(4)	339.4	(1)	6.8
5	Lotus Development	11.0	210.9	(6)	184.6	(5)	3.9
6	Oracle Systems	4.7	152.0	(7)	106.3	(7)	7.1
7	Borland Intl	-34.0	211.2	(5)	162.5	(6)	2.4
	Industry medians	**25.4**	**211.4**		**268.9**		
Computers & communications-telecommunications							
1	Citizens Utilities	48.1	234.6	(2)	737.6	(2)	2.3
2	MCI Communications	22.5	344.1	(1)	350.9	(7)	24.5
3	Southwestern Bell	18.1	145.9	(13)	362.5	(5)	64.0
4	Rochester Telephone	17.3	166.4	(7)	349.1	(8)	4.2
5	Bell Atlantic	16.9	156.1	(9)	354.5	(6)	78.7
6	Alltel	16.2	150.2	(11)	239.5	(17)	11.6
7	Pacific Telesis	15.9	154.5	(10)	341.0	(9)	64.0
8	Ameritech	15.6	144.5	(15)	297.7	(14)	74.9
9	BellSouth	15.2	145.9	(13)	312.5	(11)	99.0
10	Centel	15.0	109.3	(19)	323.2	(10)	10.8
11	So New Eng Telecom	10.7	139.0	(16)	301.2	(13)	11.7
12	Corning	10.5	109.9	(18)	129.9	(19)	29.7
13	GTE	9.3	115.8	(17)	250.4	(15)	169.5
14	Sprint	8.5	203.5	(5)	242.5	(16)	43.2
15	US West	8.4	161.1	(8)	424.3	(3)	65.6
16	Nynex	6.8	148.9	(12)	309.3	(12)	88.8
17	American Tel & Tel	1.6	195.3	(6)	165.2	(18)	323.0
18	McCaw Cellular	-55.8	217.2	(3)	1,386.5	(1)	6.3
19	Metro Mobile CTS	-89.7	214.8	(4)	374.0	(4)	1.1
	Industry medians	**15.0**	**154.5**		**323.2**		
Construction-builders							
1	Fluor	7.8	314.7	(2)	113.2	(4)	20.9
2	Foster Wheeler	4.8	219.9	(3)	180.5	(2)	9.1
3	CBI Industries	4.7	124.2	(5)	113.8	(3)	13.0
4	Turner Corp	3.9	921.5	(1)	244.1	(1)	2.9
5	Morrison Knudsen	2.8	159.2	(4)	83.2	(5)	12.4
	Industry medians	**4.7**	**219.9**		**113.8**		
Construction-other materials							
1	Vulcan Materials	8.2	157.3	(2)	167.6	(2)	6.4
2	Masco	1.1	77.3	(5)	93.1	(5)	40.7
3	Manville	-0.7	119.5	(4)	177.2	(1)	16.9
4	USG	-13.6	145.1	(3)	137.8	(3)	11.8
5	Owens-Corning	-31.4	169.7	(1)	128.4	(4)	16.4
	Industry medians	**-0.7**	**145.1**		**137.8**		
Construction-residential builders							
1	PHM	22.5	641.6	(1)	1,921.2	(1)	1.9
2	Centex	5.7	414.5	(3)	386.7	(3)	5.2
3	Ryland Group	4.1	524.8	(2)	1,538.1	(2)	2.3
	Industry medians	**5.7**	**524.8**		**1,538.1**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Consumer durables-appliances							
1	Whirlpool	4.6	182.9	(1)	174.1	(1)	37.0
2	Maytag	3.4	126.9	(2)	108.3	(3)	23.4
3	Black & Decker	1.3	113.1	(3)	134.9	(2)	41.0
4	Brunswick	-1.2	104.4	(4)	92.8	(4)	20.0
	Industry medians	**2.4**	**120.0**		**121.6**		
Consumer durables-automobiles & trucks							
1	Paccar	3.7	215.1	(4)	251.7	(3)	10.9
2	Chrysler	-5.4	293.9	(1)	430.9	(2)	99.9
3	General Motors	-6.6	162.7	(5)	243.5	(5)	756.3
4	Ford Motor	-6.8	265.4	(2)	524.3	(1)	332.7
5	Navistar Intl	-11.5	255.6	(3)	243.9	(4)	13.8
	Industry medians	**-6.6**	**255.6**		**251.7**		
Consumer durables-automotive parts							
1	Bandag	32.6	238.5	(1)	180.9	(1)	2.4
2	Genuine Parts	12.5	207.5	(2)	88.6	(7)	16.6
3	Cooper Tire & Rubber	12.4	156.8	(5)	105.0	(6)	6.4
4	Snap-on Tools	10.2	122.4	(8)	127.1	(4)	7.2
5	PPG Industries	6.0	168.3	(4)	179.7	(2)	33.7
6	Echlin	2.5	94.5	(13)	68.5	(12)	17.8
7	Johnson Controls	2.3	107.3	(11)	65.7	(14)	43.1
8	Eaton	2.0	93.6	(14)	85.4	(8)	36.1
9	Arvin Industries	1.4	98.9	(12)	66.4	(13)	16.9
10	Goodyear	0.7	109.1	(9)	85.1	(10)	100.0
11	Dana	0.4	127.7	(7)	116.3	(5)	36.0
12	TRW	-1.9	107.7	(10)	76.7	(11)	73.5
13	Cummins Engine	-2.7	142.5	(6)	85.4	(8)	23.9
14	Varity	-9.5	169.9	(3)	170.5	(3)	18.7
	Industry medians	**2.2**	**125.1**		**87.0**		
Consumer durables-home furnishings							
1	Rubbermaid	16.7	170.9	(1)	127.6	(1)	9.8
2	Newell Co	11.0	109.7	(3)	101.9	(2)	10.2
3	Premark Intl	4.1	114.0	(2)	82.3	(4)	24.7
4	Armstrong World Inds	2.0	101.4	(4)	89.3	(3)	24.1
5	Springs Industries	1.3	87.9	(5)	58.2	(5)	21.5
	Industry medians	**4.1**	**109.7**		**89.3**		
Consumer nondurables-personal products							
1	Tambrands	20.3	169.4	(5)	100.1	(12)	3.9
2	Procter & Gamble	19.6	308.9	(1)	259.7	(2)	91.4
3	Duracell Intl	14.6	203.8	(4)	292.5	(1)	7.8
4	Gillette	13.9	152.1	(9)	126.2	(10)	30.8
5	Kimberly-Clark	12.5	166.8	(6)	139.1	(8)	40.6
6	Carter-Wallace	10.9	159.7	(8)	136.5	(9)	4.2
7	Clorox	10.7	289.4	(2)	255.8	(3)	5.8
8	Service Corp Intl	7.1	62.5	(13)	206.3	(5)	10.3
9	Colgate-Palmolive	5.0	243.4	(3)	181.2	(6)	24.9
10	Avon Products	4.5	118.2	(10)	56.9	(13)	30.4
11	James River Corp Va	2.0	118.2	(10)	145.8	(7)	38.6
12	Dial	-0.2	101.0	(12)	109.6	(11)	32.8
13	Scott Paper	-2.3	166.2	(7)	216.8	(4)	29.9
	Industry medians	**10.7**	**166.2**		**145.8**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Consumer nondurables-photography & toys							
1	Polaroid	57.5	174.2	(2)	159.0	(3)	11.9
2	Mattel	8.6	117.9	(4)	77.1	(4)	13.8
3	Hasbro	8.5	223.8	(1)	203.8	(1)	9.6
4	Eastman Kodak	0.1	145.1	(3)	180.6	(2)	133.8
	Industry medians	**8.6**	**159.7**		**169.8**		
Consumer nondurables-textiles & apparel							
1	NIKE	63.3	654.3	(2)	365.1	(2)	5.0
2	Reebok International	60.9	709.5	(1)	371.3	(1)	3.9
3	Liz Claiborne	34.3	308.8	(3)	180.8	(3)	6.5
4	Stride Rite	18.1	157.4	(5)	91.0	(5)	3.7
5	Unifi	9.0	192.0	(4)	96.5	(4)	5.3
6	Fruit of the Loom	4.0	58.8	(8)	76.4	(6)	27.7
7	Russell	3.9	55.3	(9)	56.3	(7)	14.5
8	VF	3.6	66.0	(7)	47.5	(9)	44.8
9	Shaw Industries	2.4	106.2	(6)	53.6	(8)	15.3
	Industry medians	**9.0**	**157.4**		**91.0**		
Electric utilities-north central							
1	Detroit Edison	59.7	377.5	(1)	1,099.9	(4)	9.5
2	Union Electric	46.8	305.4	(9)	835.1	(10)	6.9
3	Ipalco Enterprises	42.0	266.6	(16)	753.7	(13)	2.4
4	Ohio Edison	39.9	355.4	(2)	1,177.1	(3)	6.6
5	DPL	39.0	325.5	(6)	971.7	(6)	3.1
6	Cincinnati G&E	38.7	283.8	(13)	856.8	(9)	5.4
7	Kansas City P&L	36.2	287.6	(12)	911.5	(8)	2.9
8	Wisconsin Energy	33.1	268.8	(15)	610.5	(19)	5.7
9	Nipsco Industries	31.7	335.6	(3)	797.5	(11)	4.6
10	DQE	31.1	279.3	(14)	916.3	(7)	4.3
11	No States Power	30.7	301.9	(10)	651.5	(15)	7.3
12	Minnesota Power & Lt	29.9	191.5	(20)	649.6	(16)	2.5
13	Centerior Energy	27.8	300.3	(11)	1,407.6	(1)	8.6
14	Cipsco	26.6	266.3	(17)	646.9	(17)	2.7
15	Illinois Power	24.5	330.8	(4)	1,182.5	(2)	4.5
16	American Electric	22.2	224.6	(18)	628.7	(18)	22.5
17	Midwest Resources	22.1	330.6	(5)	775.2	(12)	3.1
18	WPL Holdings	21.2	211.5	(19)	448.6	(20)	3.1
19	Commonwealth Ed	4.9	320.9	(7)	1,027.2	(5)	19.6
20	CMS Energy	-27.5	310.0	(8)	653.0	(14)	9.5
	Industry medians	**30.9**	**301.1**		**816.3**		
Electric utilities-northeast							
1	Philadelphia Elec	53.1	395.1	(1)	1,247.9	(2)	10.1
2	Long Island Lighting	46.2	385.1	(2)	1,442.0	(1)	6.6
3	Pennsylvania P&L	42.8	314.2	(9)	973.9	(8)	8.1
4	Atlantic Energy	41.9	380.6	(5)	1,052.6	(5)	2.0
5	Potomac Electric	40.8	301.4	(12)	1,136.7	(3)	5.2
5	Pub Svc Enterprise	40.8	382.1	(4)	1,112.1	(4)	13.3
7	NY State E&G	35.7	329.6	(8)	1,043.2	(6)	4.7
8	Allegheny Power	32.5	382.3	(3)	813.2	(10)	6.0
9	New England Electric	32.1	374.0	(6)	794.7	(12)	5.6
10	Consolidated Edison	29.4	304.5	(10)	576.0	(17)	19.3
11	Northeast Utilities	29.3	340.5	(7)	838.6	(9)	8.1
12	Delmarva Power & Lt	28.8	302.6	(11)	810.8	(11)	2.8
13	Baltimore G&E	24.7	260.0	(16)	748.2	(13)	9.5
14	Niagara Mohawk Pwr	20.7	287.3	(13)	700.0	(14)	11.8
15	Boston Edison	20.2	281.0	(14)	664.3	(15)	4.7
16	Public Service NH	19.7	201.4	(17)	983.8	(7)	2.7
17	American Water Work	18.3	157.6	(18)	558.0	(18)	4.0
18	General Public Utils	17.7	274.9	(15)	603.6	(16)	12.3
	Industry medians	**30.8**	**309.4**		**825.9**		
Electric utilities-south central							
1	Southwestern PS	49.9	334.8	(5)	753.3	(6)	2.2
2	Central & So West	44.2	359.4	(1)	1,108.1	(3)	8.5
3	Entergy	36.9	310.0	(7)	1,100.4	(4)	13.1
4	Oklahoma G&E	35.4	347.5	(3)	678.3	(7)	3.8
5	Houston Industries	31.7	337.0	(4)	912.2	(5)	13.2
6	Gulf States Utils	25.5	355.0	(2)	1,441.4	(1)	4.8
7	Texas Utilities	-26.9	321.1	(6)	1,233.2	(2)	15.2
	Industry medians	**35.4**	**337.0**		**1,100.4**		
Electric utilities-southeast							
1	Carolina Power & Lt	46.5	331.6	(2)	928.8	(1)	8.1
2	KU Energy	38.6	281.2	(4)	682.1	(6)	2.1
3	Dominion Resources	35.9	295.8	(3)	875.1	(2)	12.8
4	TECO Energy	31.5	250.1	(7)	614.1	(9)	4.6
5	Duke Power	31.0	202.8	(10)	556.4	(10)	18.8
6	Scana	29.1	245.7	(8)	707.6	(5)	4.7
7	Southern Co	28.9	265.4	(6)	754.4	(3)	30.3
8	LG&E Energy	25.0	215.5	(9)	619.3	(8)	3.3
9	Florida Progress	22.6	272.4	(5)	659.9	(7)	7.6
10	FPL Group	15.7	342.6	(1)	736.4	(4)	15.3
	Industry medians	**30.1**	**268.9**		**694.9**		
Electric utilities-western							
1	Puget Sound P&L	51.0	367.8	(4)	1,024.9	(3)	2.6
2	San Diego G&E	49.6	426.5	(2)	893.3	(4)	4.2
3	SCEcorp	40.8	435.7	(1)	1,052.3	(2)	17.2
4	Pacific G&E	38.8	369.7	(3)	865.8	(5)	26.5
5	Washington Water	35.5	278.7	(6)	748.0	(8)	2.0
6	PacifiCorp	31.6	249.8	(9)	824.5	(7)	16.0
7	Montana Power	28.3	251.4	(8)	558.2	(9)	3.7
8	Public Service Colo	22.7	272.5	(7)	527.1	(10)	6.6
9	Hawaiian Electric	16.4	325.0	(5)	1,170.8	(1)	3.3
10	Pinnacle West	-23.9	188.9	(10)	830.5	(6)	7.8
	Industry medians	**33.6**	**301.9**		**848.2**		
Energy-gas distributors							
1	Nicor	30.2	421.1	(1)	633.3	(3)	3.6
2	UtiliCorp United	20.0	292.6	(2)	653.7	(2)	3.7
3	Brooklyn Union Gas	18.0	277.0	(3)	503.6	(4)	3.6
4	Kansas Power & Light	15.9	255.6	(5)	466.4	(5)	4.5
5	Southwest Gas	-4.9	276.6	(4)	1,205.4	(1)	2.9
	Industry medians	**18.0**	**277.0**		**633.3**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Energy-gas producers & pipeliners							
1	Burlington Resources	44.1	376.3	(5)	1,349.6	(2)	4.7
2	Enron	33.7	1,886.4	(1)	1,405.3	(1)	7.2
3	Williams Cos	17.1	327.4	(6)	660.7	(5)	6.4
4	Panhandle Eastern	15.1	434.5	(4)	1,093.6	(3)	5.6
5	Sonat	12.0	259.0	(7)	584.8	(6)	5.5
6	Coastal Corp	5.9	585.8	(2)	582.0	(7)	16.3
7	Transco Energy	-30.6	499.9	(3)	840.8	(4)	5.5
	Industry medians	**15.1**	**434.5**		**840.8**		
Energy-integrated gas							
1	Equitable Resources	28.4	301.1	(2)	609.3	(2)	2.3
2	Questar	24.5	241.9	(6)	466.6	(5)	2.6
3	Consol Natural Gas	21.8	336.8	(1)	647.4	(1)	7.7
4	Enserch	1.7	256.2	(4)	285.8	(6)	11.1
5	Arkla	1.4	297.3	(3)	531.5	(4)	9.4
6	Pacific Enterprises	-2.1	157.8	(7)	160.2	(7)	41.8
7	Columbia Gas System	-75.0	243.0	(5)	597.3	(3)	10.6
	Industry medians	**1.7**	**256.2**		**531.5**		
Energy-international oils							
1	Exxon	54.6	1,003.4	(1)	854.2	(1)	102.5
2	Texaco	32.6	939.1	(2)	659.7	(2)	39.7
3	Mobil	28.5	831.5	(3)	625.9	(4)	67.4
4	Chevron	23.7	667.0	(4)	633.6	(3)	54.7
5	Amoco	21.6	466.2	(5)	561.7	(5)	54.3
	Industry medians	**28.5**	**831.5**		**633.6**		
Energy-oilfield services							
1	Baker Hughes	7.7	130.2	(2)	137.2	(1)	21.1
2	Dresser Industries	4.2	142.0	(1)	98.3	(2)	32.5
3	Halliburton	0.4	93.3	(3)	66.7	(3)	75.2
	Industry medians	**4.2**	**130.2**		**98.3**		
Energy-other energy							
1	Union Texas Petrol	200.7	700.6	(3)	1,610.4	(2)	1.4
2	Valero Energy	53.2	545.5	(9)	798.3	(5)	1.9
3	Tosco	42.8	1,125.5	(1)	551.7	(9)	1.8
4	Atlantic Richfield	25.5	613.9	(4)	882.6	(3)	27.8
5	Peoples Energy	20.6	325.8	(18)	478.8	(13)	3.4
6	Mapco	20.2	423.7	(14)	273.0	(17)	6.2
7	Kerr-McGee	15.8	510.5	(11)	533.4	(11)	6.4
8	Occidental Petroleum	11.7	372.8	(17)	595.1	(7)	27.1
9	Fina	11.0	870.9	(2)	746.7	(6)	3.8
10	Amerada Hess	8.2	607.4	(5)	857.0	(4)	10.3
11	Oryx Energy	7.3	570.8	(6)	1,694.2	(1)	2.6
12	Diamond Shamrock	6.3	436.6	(13)	207.2	(18)	5.9
13	Ashland Oil	5.6	275.6	(19)	161.6	(19)	33.2
14	Phillips Petroleum	4.3	558.9	(7)	508.8	(12)	22.6
15	Pennzoil	4.2	151.9	(20)	314.5	(16)	16.6
15	Unocal	4.2	557.2	(8)	565.8	(8)	17.4
17	Crown Central Pet	-1.4	409.5	(15)	159.6	(20)	4.3
18	Murphy Oil	-2.8	399.2	(16)	542.3	(10)	4.0
19	USX-Marathon	-2.9	497.3	(12)	470.2	(14)	24.8
20	Sun Co	-20.4	537.0	(10)	376.7	(15)	19.0
	Industry medians	**7.8**	**523.8**		**537.9**		
Entertainment & information-broadcasting							
1	King World Prods	202.5	1,093.7	(1)	1,279.3	(2)	0.5
2	BHC Commun	128.4	311.8	(6)	2,349.0	(1)	0.8
3	Capital Cities/ABC	18.9	270.8	(7)	336.9	(9)	19.9
4	Paramount Commun	11.9	328.1	(5)	561.6	(6)	12.4
5	Turner Broadcasting	11.3	389.3	(3)	593.2	(5)	3.8
6	Tele-Communication	-6.1	114.9	(9)	375.5	(8)	33.0
7	Viacom	-9.3	342.3	(4)	837.7	(3)	5.0
8	CBS	-13.4	473.8	(2)	436.9	(7)	6.4
9	Comcast	-43.2	200.3	(8)	776.0	(4)	3.6
	Industry medians	**11.3**	**328.1**		**593.2**		
Entertainment & information-publishing							
1	Reader's Digest Assn	29.8	333.1	(1)	258.5	(2)	7.4
2	Washington Post	19.7	229.1	(3)	246.9	(4)	6.0
3	Tribune	11.0	157.7	(6)	216.7	(5)	12.9
4	McGraw-Hill	10.8	141.8	(7)	184.3	(7)	13.7
5	Dun & Bradstreet	8.4	76.5	(15)	78.7	(15)	60.7
6	Gannett	8.2	92.2	(14)	100.4	(14)	36.7
7	Dow Jones	7.5	180.3	(4)	258.2	(3)	9.6
8	RR Donnelley & Sons	7.0	133.6	(8)	116.2	(12)	29.3
9	EW Scripps	6.6	131.9	(9)	173.4	(8)	9.9
10	Knight-Ridder	6.5	109.6	(11)	114.3	(13)	20.4
11	Interpublic Group	5.6	97.3	(12)	165.7	(9)	16.8
12	New York Times	4.6	166.2	(5)	207.6	(6)	10.3
13	American Greetings	4.4	71.9	(16)	70.0	(16)	21.1
14	Times Mirror	2.9	127.1	(10)	142.5	(10)	28.4
15	Time Warner	-2.4	285.6	(2)	591.6	(1)	42.1
16	General Cinema	-6.6	92.3	(13)	131.1	(11)	38.8
	Industry medians	**6.8**	**132.8**		**169.6**		
Financial services-brokerage & commodity							
1	Morgan Stanley	67.0	957.3	(2)	8,988.3	(3)	7.1
2	Salomon	56.7	1,026.7	(1)	10,900.0	(1)	8.9
3	Bear Stearns Cos	41.0	445.4	(3)	9,638.6	(2)	5.7
4	Merrill Lynch	18.0	319.9	(4)	2,231.8	(4)	38.7
5	Charles Schwab	14.5	233.9	(6)	1,478.2	(6)	3.4
6	PaineWebber Group	11.8	247.3	(5)	1,767.3	(5)	12.8
7	AG Edwards	11.2	104.0	(7)	174.4	(7)	8.2
	Industry medians	**18.0**	**319.9**		**2,231.8**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Financial services-lease & finance							
1	Federal Natl Mortgage	570.7	5,234.0	(1)	57,675.3	(1)	2.6
2	MBIA	528.1	981.8	(4)	8,315.3	(5)	0.3
3	Federal Home Loan	238.6	1,832.3	(2)	20,146.2	(2)	2.3
4	Sallie Mae	117.2	1,106.5	(3)	15,394.1	(3)	2.9
5	Franklin Resources	50.4	161.8	(14)	303.6	(14)	2.1
6	Dreyfus	43.7	181.8	(13)	545.4	(12)	1.6
7	H&R Block	35.9	316.2	(7)	170.0	(15)	4.2
8	MBNA	29.8	226.8	(11)	1,201.8	(9)	5.0
9	Primerica	19.6	270.7	(8)	883.3	(10)	24.4
10	Beneficial Corp	18.7	227.7	(10)	1,253.3	(8)	8.0
11	GATX	17.8	212.7	(12)	755.7	(11)	4.7
12	Household Intl	10.5	320.8	(6)	2,093.6	(6)	14.3
13	American Express	7.3	236.8	(9)	1,346.2	(7)	108.8
14	Rouse	0.4	103.3	(16)	475.2	(13)	5.6
15	Ryder System	0.3	125.7	(15)	126.1	(16)	40.3
16	Discount Corp of NY	-32.6	640.5	(5)	8,611.2	(4)	0.4
	Industry medians	**24.7**	**253.8**		**1,227.6**		
Financial services-multinational banks							
1	JP Morgan & Co	84.7	784.6	(1)	7,870.7	(1)	13.1
2	Bankers Trust NY	52.5	538.8	(3)	5,035.3	(3)	12.7
3	Republic New York	49.9	556.2	(2)	6,849.7	(2)	4.6
4	BankAmerica	20.3	221.6	(11)	2,086.5	(9)	55.4
5	Chase Manhattan	13.7	312.9	(7)	2,594.7	(7)	37.8
6	First Chicago	6.2	256.8	(9)	2,603.2	(6)	18.8
7	Chemical Banking	3.5	318.6	(6)	3,128.8	(5)	44.4
8	Bank of Boston	-2.1	271.5	(8)	1,952.3	(11)	16.8
9	Citicorp	-10.1	351.8	(5)	2,396.9	(8)	90.5
10	Continental Bank	-14.7	445.9	(4)	4,652.7	(4)	5.2
11	Security Pacific	-20.0	231.0	(10)	1,978.1	(10)	38.6
	Industry medians	**6.2**	**318.6**		**2,603.2**		
Financial services-regional banks							
1	Wilmington Trust	36.7	219.1	(13)	2,072.1	(26)	2.0
2	Fifth Third Bancorp	33.8	216.4	(16)	2,156.9	(19)	4.1
3	First Hawaiian	32.0	226.1	(11)	2,546.7	(7)	2.6
4	Bancorp Hawaii	27.9	252.8	(7)	2,819.9	(5)	4.0
5	Dauphin Deposit	26.8	195.9	(36)	2,115.8	(21)	1.7
6	Mercantile Bkshs	26.2	190.3	(46)	1,924.6	(46)	2.7
7	Sumitomo Bank Calif	25.0	301.4	(2)	3,081.1	(1)	1.7
8	Banc One	24.8	191.9	(44)	2,168.3	(18)	21.4
9	NBD Bancorp	22.2	206.6	(19)	2,238.4	(13)	13.2
10	Northern Trust	22.0	217.6	(14)	2,278.1	(12)	5.8
11	PNC Financial	21.9	245.9	(9)	2,522.0	(8)	17.8
12	Comerica	21.7	198.2	(33)	2,044.0	(32)	7.1
13	FirsTier Financial	21.5	189.1	(49)	1,917.7	(48)	1.6
14	First Bank System	21.4	204.6	(23)	2,056.3	(31)	8.9
14	First Empire State	21.4	271.6	(4)	2,927.2	(2)	3.1
16	Central Bancshares	21.2	204.1	(24)	2,184.8	(16)	2.8
17	First Fidelity Bncp	21.0	263.3	(6)	2,864.0	(4)	10.6
18	Old Kent Financial	20.1	186.4	(52)	1,907.1	(50)	4.6
19	Society	19.6	193.0	(40)	1,848.0	(56)	8.3
20	Manufacturers Natl	19.4	187.0	(50)	2,183.8	(17)	6.2
21	SunTrust Banks	19.1	173.0	(75)	1,779.2	(68)	19.4
22	Central Fidelity Bks	19.0	200.6	(28)	2,136.8	(20)	3.2
23	BB&T Financial	18.9	187.0	(50)	1,961.3	(42)	3.2
23	Huntington Bcshs	18.9	197.4	(34)	1,996.5	(37)	6.2
25	Liberty National	18.4	192.7	(42)	2,113.1	(22)	2.1
26	Meridian Bancorp	18.3	212.9	(17)	2,057.9	(30)	5.5
27	US Bancorp	18.0	184.9	(55)	1,732.9	(72)	10.9
28	Star Banc	17.9	179.3	(64)	1,807.9	(64)	3.7
29	First Alabama Bcshs	17.8	150.0	(90)	1,536.1	(86)	4.4
29	Puget Sound Bancorp	17.8	181.3	(59)	1,771.4	(69)	2.8
31	Integra Financial	17.5	200.2	(31)	2,207.9	(14)	4.0
32	SouthTrust	17.4	180.5	(63)	1,966.0	(41)	5.2
33	Firstar	17.3	161.8	(81)	1,588.3	(84)	7.8
34	Mellon Bank	17.2	193.3	(38)	1,800.9	(65)	16.3
35	Boatmen's Bancshs	17.1	181.2	(62)	2,013.3	(34)	8.8
36	CoreStates Financial	17.0	177.8	(67)	1,611.2	(82)	13.4
37	State Street Boston	16.9	158.3	(83)	1,829.3	(57)	8.2
38	Norwest	16.6	184.5	(56)	1,607.3	(83)	24.0
39	Marshall & Ilsley	16.4	137.7	(98)	1,256.8	(101)	6.1
40	First Tennessee Natl	16.1	191.1	(45)	1,998.4	(36)	4.0
41	Commerce Bcshs	15.8	157.0	(85)	1,788.4	(66)	3.8
42	First Bancp Ohio	15.6	142.1	(93)	1,486.1	(91)	2.5
43	KeyCorp	15.5	185.9	(53)	1,905.6	(51)	12.2
43	US Trust	15.5	200.4	(29)	1,443.5	(94)	2.0
45	AmSouth Bancorp	15.4	172.7	(76)	1,815.9	(61)	5.2
46	First Virginia Banks	15.3	129.5	(101)	1,347.3	(100)	4.5
47	Mercantile Bancorp	15.0	175.4	(70)	1,828.4	(58)	4.4
48	Southern Natl	14.7	173.2	(74)	1,782.0	(67)	2.1
49	National City	14.6	163.8	(80)	1,529.7	(87)	15.8
50	First Union	14.3	193.2	(39)	2,060.9	(27)	22.4
51	INB Financial	14.2	190.0	(48)	1,938.4	(45)	3.4
52	Trustmark	14.1	178.0	(65)	1,982.8	(39)	2.0
53	United Missouri Bcsh	13.8	138.6	(96)	1,638.3	(79)	2.9
54	Zions Bancorporation	13.4	158.2	(84)	1,673.9	(75)	2.2
55	First Commerce	13.0	182.1	(57)	1,904.5	(52)	2.6
55	First of America Bank	13.0	138.6	(96)	1,619.0	(80)	10.3
55	Wachovia	13.0	177.9	(66)	1,879.5	(53)	17.6
58	Union Bank	12.8	223.7	(12)	2,394.3	(11)	7.3
58	Valley Bancorp	12.8	158.9	(82)	1,663.6	(77)	2.4
60	Deposit Guaranty	12.7	175.7	(68)	1,990.9	(38)	2.5
60	First Security	12.7	150.4	(89)	1,491.9	(90)	4.7
62	Summit Bancorp	12.4	205.3	(21)	2,200.0	(15)	1.7
63	Union Planters	12.1	175.7	(68)	1,669.7	(76)	2.3
63	West One Bancorp	12.1	152.3	(88)	1,585.4	(85)	3.4
65	Fourth Financial	10.8	194.2	(37)	1,941.7	(44)	2.1
66	BanPonce	10.0	143.2	(92)	1,356.7	(99)	6.5
67	Bank of New York	9.0	312.1	(1)	2,912.5	(3)	13.5
68	Michigan National	8.8	192.4	(43)	1,868.5	(55)	5.7
69	Affiliated Bkshs Colo	8.7	128.4	(102)	1,391.4	(98)	2.1
70	First Citizens Bcshs	7.9	133.5	(100)	1,482.9	(92)	3.7
71	Barnett Banks	6.9	181.3	(59)	1,811.9	(63)	18.1
72	Natl Community Bks	6.5	185.2	(54)	2,101.8	(23)	1.9
73	Crestar Financial	5.8	208.6	(18)	2,037.6	(33)	5.8
74	Premier Bancorp	5.4	139.4	(94)	1,428.9	(97)	2.7
75	Sunwest Financial	5.2	134.3	(99)	1,430.5	(96)	2.4

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
76	First American Corp	5.1	175.4	(70)	1,913.3	(49)	3.3
77	Valley National	4.7	155.6	(86)	1,463.5	(93)	7.3
78	Fleet/Norstar Finl	4.5	202.7	(25)	2,075.1	(25)	21.9
79	Colorado Natl Bkshs	4.0	147.4	(91)	1,135.5	(102)	2.7
80	Dominion Bankshs	3.9	192.8	(41)	1,816.8	(60)	5.3
81	NationsBank	3.5	201.7	(26)	1,919.6	(47)	57.5
81	UJB Financial	3.5	190.3	(46)	2,060.0	(28)	6.5
83	BayBanks	1.7	181.3	(59)	1,689.6	(74)	5.6
83	Merchants National	1.7	152.4	(87)	1,648.6	(78)	3.5
85	Wells Fargo	1.0	273.9	(3)	2,502.2	(9)	21.4
86	Cullen/Frost Bankers	0.1	165.4	(79)	1,763.5	(70)	1.7
87	Whitney Holding	-3.2	172.5	(77)	1,967.1	(40)	1.5
88	Signet Banking	-4.3	217.4	(15)	1,871.9	(54)	6.0
89	Equimark	-4.5	204.9	(22)	1,817.6	(59)	1.7
90	MNC Financial	-7.8	244.5	(10)	1,943.2	(43)	9.0
91	First Interstate Bncp	-9.5	168.2	(78)	1,615.6	(81)	30.3
92	City National	-9.7	200.4	(29)	2,095.7	(24)	2.2
93	Multibank Financial	-10.1	181.6	(58)	1,739.5	(71)	1.5
94	Northeast Bancorp	-10.2	196.1	(35)	2,058.9	(29)	1.7
95	First Florida Banks	-10.5	139.3	(95)	1,431.4	(95)	4.0
96	Shawmut National	-15.0	206.3	(20)	2,008.4	(35)	11.4
97	Bank South	-18.9	174.2	(72)	1,523.8	(88)	2.9
98	Riggs National	-28.6	252.0	(8)	2,399.6	(10)	2.3
99	First City Bncp Texas	-34.2	173.9	(73)	1,511.6	(89)	6.6
100	Hibernia	-41.6	201.0	(27)	1,693.9	(73)	3.4
101	Midlantic	-54.3	198.5	(32)	1,815.0	(62)	10.0
102	Baltimore Bancorp	-108.9	268.8	(5)	2,739.7	(6)	1.2
	Industry medians	14.2	186.7		1,905.1		
	Financial services-thrift institutions						
1	Washington Fedl S&L	179.1	686.0	(3)	7,123.5	(3)	0.4
2	FirstFed Finl	71.6	764.7	(2)	8,279.7	(1)	0.4
3	Golden West Finl	65.4	614.8	(6)	6,664.2	(4)	3.6
4	Commercial Federal	47.0	613.0	(7)	5,269.6	(8)	0.9
5	St Paul Bancorp	31.4	397.6	(19)	4,235.0	(18)	0.9
6	Washington Mutual	30.4	333.2	(25)	3,207.6	(26)	2.2
7	Standard Fedl Bank	30.0	398.6	(18)	4,338.3	(16)	2.2
8	Downey S&L Assn	29.6	404.0	(17)	4,487.0	(12)	0.8
9	Metropolitan Finl	28.4	245.2	(31)	2,305.0	(30)	2.0
10	Bay View Capital	28.3	827.6	(1)	7,945.8	(2)	0.3
11	Anchor Bancorp	27.3	445.4	(11)	4,586.1	(11)	1.8
12	Farm & Home Finl	25.8	489.6	(8)	5,389.5	(7)	0.7
13	CSF Holdings	24.9	424.9	(15)	4,887.9	(9)	0.9
14	FirstFed Michigan	23.5	655.6	(4)	6,497.7	(5)	1.4
15	HF Ahmanson	23.2	433.8	(13)	4,465.9	(13)	10.6
16	Coast Savings Finl	22.8	480.7	(9)	4,694.5	(10)	1.8
17	Gt Western Financial	20.7	274.1	(29)	2,745.8	(28)	14.4
18	SFFed Corp	19.5	435.4	(12)	4,411.5	(14)	0.8
19	Northeast Federal	7.1	420.3	(16)	4,087.5	(19)	0.9
20	TCF Financial	4.8	178.5	(34)	1,647.7	(34)	2.5
21	Citadel Holding	3.3	653.5	(5)	6,282.5	(6)	0.8
22	Great Lakes Bancorp	1.4	313.4	(27)	2,869.8	(27)	1.0
23	Fortune Bancorp	-15.9	360.6	(22)	3,732.1	(25)	0.7
24	GlenFed	-16.2	363.7	(21)	3,911.4	(22)	5.3
25	Rochester Community	-16.6	225.3	(32)	2,131.6	(33)	1.9
26	Howard Savings Bank	-18.5	191.4	(33)	2,264.5	(31)	1.8
27	Dime Savings Bank	-21.7	430.7	(14)	4,400.9	(15)	2.3
28	CalFed	-32.2	396.9	(20)	4,256.2	(17)	4.3
29	People's Bank	-38.5	261.3	(30)	2,537.8	(29)	2.4
30	Society for Savings	-48.8	304.4	(28)	2,259.3	(32)	1.3
31	Greater NY Savings	-77.8	330.5	(26)	3,822.5	(23)	0.7
32	Meritor Savings Bank	-85.2	351.9	(23)	3,820.1	(24)	1.6
33	American Savings	-183.0	344.5	(24)	3,947.0	(21)	0.9
34	HomeFed	-272.9	478.7	(10)	4,006.1	(20)	3.5
	Industry medians	20.1	401.3		4,245.6		
	Food distribution-food wholesalers						
1	Super Valu Stores	8.5	442.9	(3)	106.4	(4)	24.3
2	Sysco	8.0	417.2	(4)	111.5	(3)	20.3
3	Super Food Services	4.8	787.2	(1)	150.6	(1)	2.3
4	Fleming Cos	3.2	564.6	(2)	129.4	(2)	22.9
4	Wetterau	3.2	367.7	(5)	81.7	(5)	15.6
6	Nash Finch	1.7	213.0	(6)	39.1	(6)	11.0
7	TW Holdings	-0.6	34.1	(7)	31.9	(7)	106.0
	Industry medians	3.2	417.2		106.4		
	Food distribution-supermarkets & convenience						
1	Weis Markets	5.4	86.3	(16)	49.0	(5)	15.0
2	McDonald's	5.1	39.9	(17)	67.6	(2)	168.0
3	Albertson's	4.4	147.1	(2)	37.6	(14)	59.0
4	Food Lion	4.1	127.7	(7)	39.5	(13)	50.4
5	Giant Food	4.0	132.2	(6)	48.7	(6)	25.7
6	Bruno's	3.0	126.6	(8)	39.7	(12)	21.0
7	Hannaford Bros	2.7	124.3	(10)	43.7	(10)	16.2
7	Smith's Food & Drug	2.7	132.3	(5)	71.4	(1)	16.8
9	Vons Cos	1.9	160.2	(1)	54.0	(4)	33.4
10	Winn-Dixie Stores	1.7	98.6	(15)	17.8	(17)	103.5
11	American Stores	1.6	135.7	(3)	45.5	(9)	153.4
12	Stop & Shop Cos	0.8	120.7	(13)	47.2	(7)	41.5
13	Great A&P Tea	0.7	117.5	(14)	32.9	(15)	98.7
13	Safeway	0.7	134.7	(4)	46.2	(8)	112.3
15	Kroger	0.6	125.6	(9)	24.2	(16)	170.0
16	Penn Traffic	-0.2	121.0	(12)	54.2	(3)	22.6
17	Circle K	-10.2	122.1	(11)	43.1	(11)	24.7
	Industry medians	1.9	125.6		45.5		
	Food, drink & tobacco-beverages						
1	Coca-Cola	61.2	437.5	(1)	386.5	(1)	26.5
2	Brown-Forman	25.8	218.7	(3)	206.1	(4)	5.5
3	Anheuser-Busch Cos	20.8	243.5	(2)	221.1	(3)	45.2
4	Whitman	5.4	160.5	(6)	142.3	(6)	14.9
5	PepsiCo	3.3	60.7	(7)	58.2	(7)	323.0
6	Adolph Coors	2.1	170.4	(5)	176.5	(5)	11.3
7	Coca-Cola Enterprise	-3.7	180.0	(4)	296.7	(2)	22.5
	Industry medians	5.4	180.0		206.1		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Food, drink & tobacco-food processors							
1	Archer Daniels	40.1	706.6	(1)	559.1	(1)	12.5
2	Kellogg	35.4	337.8	(3)	229.2	(3)	17.1
3	Pioneer Hi-Bred Intl	23.1	241.5	(8)	275.1	(2)	4.7
4	Wm Wrigley Jr	21.3	189.9	(12)	103.3	(12)	6.1
5	HJ Heinz	18.2	183.6	(14)	168.9	(5)	35.7
6	Hershey Foods	16.4	217.2	(10)	175.4	(4)	13.4
7	Quaker Oats	12.3	266.5	(6)	136.1	(8)	20.9
8	Pet	11.0	203.9	(11)	166.3	(6)	9.2
9	CPC International	10.7	177.2	(15)	129.1	(10)	34.9
10	McCormick & Co	10.5	185.4	(13)	134.0	(9)	7.7
11	Geo A Hormel	10.0	333.0	(4)	102.4	(13)	8.3
12	Campbell Soup	9.5	129.3	(18)	92.3	(16)	47.4
13	Gerber Products	8.8	100.5	(21)	69.7	(19)	12.0
14	Dean Foods	7.9	234.4	(9)	95.5	(15)	9.3
15	Ralston Purina	6.8	130.5	(17)	83.7	(18)	57.1
16	Borden	6.6	163.0	(16)	123.5	(11)	44.4
17	Sara Lee	6.5	114.4	(19)	88.2	(17)	110.6
18	ConAgra	5.2	289.7	(5)	151.0	(7)	70.6
19	General Mills	4.8	74.1	(23)	41.3	(24)	102.7
20	Intl Multifoods	4.3	248.1	(7)	100.6	(14)	9.2
21	Tyson Foods	3.3	87.4	(22)	57.1	(21)	45.5
22	Chiquita Brands Intl	2.8	100.6	(20)	68.3	(20)	46.0
23	Dole	2.6	63.7	(24)	55.3	(22)	50.5
24	IBP	0.1	392.4	(2)	54.8	(23)	26.5
	Industry medians	**9.2**	**187.7**		**102.9**		
Food, drink & tobacco-tobacco							
1	UST Inc	74.5	246.4	(3)	183.9	(4)	3.6
2	Philip Morris Cos	23.5	287.8	(1)	283.7	(3)	167.0
3	American Brands	16.6	172.8	(4)	311.7	(2)	48.5
4	RJR Nabisco	6.6	270.1	(2)	578.9	(1)	55.5
5	Universal	2.8	116.3	(5)	52.7	(5)	25.0
	Industry medians	**16.6**	**246.4**		**283.7**		
Forest products-packaging							
1	Temple-Inland	9.8	177.8	(2)	714.1	(1)	14.1
2	Crown Cork & Seal	7.3	217.8	(1)	170.6	(3)	17.5
3	Sonoco Products	6.5	116.9	(5)	78.2	(6)	14.5
4	Ball Corp	5.1	175.8	(3)	120.8	(5)	12.9
5	Stone Container	-1.5	168.0	(4)	215.4	(2)	32.1
6	Owens-Illinois	-3.7	102.3	(6)	125.9	(4)	35.0
	Industry medians	**5.8**	**171.9**		**148.3**		
Forest products-paper & lumber							
1	PH Glatfelter	22.0	164.3	(11)	182.4	(12)	3.5
2	Consolidated Papers	19.1	181.9	(9)	294.4	(5)	4.8
3	Federal Paper Board	11.1	193.9	(5)	336.9	(3)	7.4
4	Westvaco	10.0	153.8	(12)	234.7	(7)	14.7
5	Bowater	9.0	255.2	(1)	550.6	(1)	5.0
6	Union Camp	6.0	143.6	(13)	227.3	(8)	20.7
7	International Paper	5.7	182.1	(8)	214.2	(9)	69.8
8	Louisiana-Pacific	4.5	136.2	(14)	168.6	(14)	12.5
9	Willamette Inds	4.2	185.4	(7)	205.2	(10)	10.8
10	Mead	3.0	212.0	(3)	184.5	(11)	21.6
11	Champion Intl	1.4	171.1	(10)	309.1	(4)	28.0
12	Georgia-Pacific	-1.3	192.1	(6)	177.0	(13)	60.0
13	Weyerhaeuser	-2.5	219.5	(2)	427.0	(2)	39.6
14	Boise Cascade	-4.0	200.4	(4)	239.9	(6)	19.7
	Industry medians	**5.1**	**183.8**		**231.0**		
Health-biotech							
1	Amgen	69.7	485.8	(1)	616.5	(2)	1.4
2	Genentech	21.7	228.3	(2)	601.9	(3)	2.0
3	ALZA	-81.6	183.6	(3)	762.8	(1)	0.8
	Industry medians	**21.7**	**228.3**		**616.5**		
Health-drugs							
1	Marion Merrell Dow	64.0	311.7	(5)	302.0	(6)	9.1
2	Mylan Labs	60.9	176.8	(12)	353.2	(4)	0.6
3	Merck	56.9	230.6	(6)	254.7	(9)	37.3
4	Forest Labs	44.5	218.6	(7)	346.1	(5)	1.0
5	Eli Lilly	43.6	189.9	(9)	275.2	(8)	30.2
6	Bristol-Myers Squibb	38.6	209.8	(8)	177.0	(16)	53.2
7	Schering-Plough	32.4	181.2	(11)	201.2	(13)	20.0
8	Upjohn	28.6	182.3	(10)	220.6	(11)	18.8
9	American Home Prod	28.5	146.5	(19)	122.9	(18)	48.3
10	Bindley Western Inds	25.4	5,353.0	(1)	1,109.3	(1)	0.4
11	Abbott Laboratories	24.3	153.7	(17)	139.8	(17)	44.7
12	Pfizer	16.7	160.5	(16)	222.5	(10)	43.3
13	Bergen Brunswig	14.9	1,297.9	(2)	398.2	(2)	3.7
14	Rhône-Poulenc Rorer	14.2	165.9	(14)	179.7	(15)	23.0
15	Imcera Group	10.5	171.5	(13)	207.8	(12)	9.7
15	IVAX	10.5	160.7	(15)	397.3	(3)	1.1
17	McKesson	7.4	716.6	(4)	200.3	(14)	13.6
18	Warner-Lambert	4.1	148.8	(18)	105.9	(19)	34.0
19	National Intergroup	3.2	830.7	(3)	298.6	(7)	4.0
	Industry medians	**25.4**	**182.3**		**222.5**		
Health-health care services							
1	T2 Medical	79.1	336.1	(2)	451.4	(1)	0.5
2	US Healthcare	64.4	709.5	(1)	323.2	(2)	2.3
3	Surgical Care Affils	28.8	236.5	(4)	261.0	(3)	0.7
4	United HealthCare	24.5	270.2	(3)	188.2	(5)	3.1
5	National Health Labs	19.7	114.4	(5)	77.9	(9)	5.3
6	Medical Care Intl	14.7	108.5	(6)	201.1	(4)	2.6
7	National Medical	6.2	84.7	(8)	87.3	(7)	46.9
8	Humana	5.4	95.8	(7)	67.7	(10)	66.3
9	HealthTrust	2.6	68.8	(10)	84.2	(8)	30.0
10	Beverly Enterprises	0.3	24.9	(11)	18.1	(11)	92.5
11	American Medical	0.1	77.0	(9)	98.4	(6)	31.8
	Industry medians	**14.7**	**108.5**		**98.4**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Health-medical supplies							
1	St Jude Medical	146.8	366.8	(1)	655.8	(1)	0.6
2	Biomet	37.3	200.1	(2)	186.5	(2)	1.3
3	Medtronic	21.2	154.1	(5)	153.1	(6)	7.3
4	Johnson & Johnson	17.7	151.0	(6)	127.5	(11)	82.5
5	US Surgical	15.3	141.8	(7)	124.6	(13)	6.0
6	Stryker	15.2	167.3	(3)	123.9	(14)	2.2
7	Pall	12.8	105.4	(14)	126.3	(12)	6.4
8	American Cyanamid	11.3	156.8	(4)	158.9	(3)	31.8
9	Millipore	10.2	125.8	(10)	131.8	(10)	5.9
10	Becton Dickinson	9.8	118.1	(12)	154.2	(4)	18.6
11	Baxter International	9.0	136.4	(9)	142.8	(7)	65.4
12	Hillenbrand Inds	8.9	119.9	(11)	153.2	(5)	10.0
13	CR Bard	6.4	98.2	(15)	73.7	(15)	8.9
13	Bausch & Lomb	6.4	113.9	(13)	132.5	(9)	13.4
15	Allergan	-9.9	140.1	(8)	139.2	(8)	6.0
	Industry medians	**11.3**	**140.1**		**139.2**		
Insurance-diversified							
1	Cincinnati Financial	78.5	623.3	(1)	1,844.3	(6)	1.9
2	American Intl Group	45.9	499.5	(4)	2,052.9	(3)	33.8
3	Loews	33.9	482.4	(5)	1,468.0	(9)	26.7
4	Safeco	30.5	370.5	(8)	1,401.3	(10)	8.5
5	Old Republic Intl	27.3	286.4	(14)	773.6	(16)	4.8
6	Aon	24.2	293.1	(13)	1,163.3	(14)	10.0
7	Leucadia National	24.1	NA		1,165.6	(13)	3.9
8	Kemper	21.9	335.8	(12)	1,576.0	(8)	9.3
9	Unitrin	17.3	157.9	(16)	537.3	(17)	8.0
10	Uslico	14.6	512.1	(3)	3,830.8	(1)	0.8
11	Marsh & McLennan	12.8	116.3	(17)	99.7	(19)	23.9
12	Lincoln National	12.1	541.2	(2)	1,983.4	(4)	17.2
13	Aetna Life & Cas	10.6	402.4	(7)	1,928.5	(5)	47.7
14	Horace Mann Educat	9.8	258.3	(15)	1,059.5	(15)	2.5
15	Travelers	9.3	344.8	(11)	1,597.2	(7)	33.0
16	Cigna	8.5	351.1	(10)	1,249.9	(11)	53.4
17	Transamerica	6.4	438.3	(6)	2,166.1	(2)	15.6
18	Alexander & Alexander	-0.7	87.1	(18)	175.9	(18)	15.7
19	Reliance Group	-16.0	366.7	(9)	1,216.5	(12)	9.3
	Industry medians	**14.6**	**358.9**		**1,401.3**		
Insurance-life & health							
1	Conseco	123.1	1,415.9	(1)	11,796.1	(1)	1.0
2	Aflac	46.9	1,036.2	(2)	3,202.2	(3)	3.2
3	American General	41.7	382.2	(9)	3,139.6	(4)	11.5
4	Jefferson-Pilot	40.4	269.8	(12)	1,132.2	(11)	4.4
5	Torchmark	40.0	313.3	(11)	999.0	(12)	6.2
6	Broad	38.2	660.3	(4)	9,662.3	(2)	1.2
7	UNUM	37.9	447.8	(6)	1,973.4	(9)	5.4
8	USLife	36.0	664.9	(3)	2,562.1	(6)	2.1
9	Capital Holding	29.4	314.2	(10)	2,220.4	(8)	8.5
10	Provident Life & Acc	19.3	469.7	(5)	2,440.5	(7)	6.1
11	American Natl Ins	16.8	159.8	(13)	677.5	(14)	7.5
12	NWNL	15.6	446.9	(7)	2,925.4	(5)	3.0
13	Equitable of Iowa	6.0	140.5	(14)	813.3	(13)	5.2
14	ICH	-1.9	435.3	(8)	1,316.8	(10)	4.3
	Industry medians	**37.0**	**441.1**		**2,330.5**		
Insurance-property & casualty							
1	General Re	262.2	1,280.1	(1)	4,952.1	(1)	2.5
2	Argonaut Group	109.6	671.8	(2)	2,527.5	(2)	0.8
3	Mercury General	55.4	447.6	(4)	645.7	(10)	1.2
4	Chubb	54.7	446.8	(5)	1,363.8	(3)	10.1
5	20th Century Inds	53.6	469.9	(3)	710.0	(7)	1.9
6	St Paul Cos	33.9	364.0	(7)	1,085.9	(5)	12.0
7	Geico	27.9	305.2	(11)	580.8	(12)	7.0
8	Ohio Casualty	21.1	336.1	(9)	692.4	(8)	5.1
9	Berkshire Hathaway	20.0	141.2	(16)	657.4	(9)	22.0
10	Hartford Steam Boiler	17.4	148.8	(14)	209.7	(17)	4.2
11	Hanover Insurance	8.8	326.6	(10)	643.3	(11)	5.5
12	ITT	7.3	182.3	(13)	481.0	(13)	112.0
13	Alleghany	6.1	134.2	(17)	429.9	(15)	10.6
14	Progressive	5.0	224.7	(12)	448.4	(14)	6.6
15	Continental Corp	3.7	364.0	(7)	942.6	(6)	14.9
16	Penn Central	0.2	145.2	(15)	294.2	(16)	11.5
17	USF&G	-16.3	383.0	(6)	1,339.4	(4)	10.8
	Industry medians	**20.0**	**336.1**		**657.4**		
Metals-nonferrous metals							
1	Newmont Mining	34.6	228.5	(2)	300.2	(2)	2.7
2	Phelps Dodge	19.5	173.9	(8)	218.0	(6)	14.0
3	Engelhard	13.1	363.6	(1)	187.5	(8)	6.7
4	Cyprus Minerals	5.2	204.1	(4)	238.9	(5)	8.2
5	Asarco	5.0	208.1	(3)	320.0	(1)	9.2
5	Reynolds Metals	5.0	185.4	(6)	216.4	(7)	30.9
7	Maxxam	4.8	189.9	(5)	270.8	(3)	11.9
8	AMAX	1.5	184.0	(7)	270.4	(4)	20.5
9	Alcoa	1.0	150.7	(9)	170.4	(9)	65.6
	Industry medians	**5.0**	**189.9**		**238.9**		
Metals-steel							
1	Nucor	11.7	264.0	(1)	212.9	(2)	5.6
2	Worthington Inds	8.1	155.0	(7)	102.8	(7)	5.8
3	LTV	2.1	171.3	(4)	191.3	(4)	35.0
4	Inland Steel Inds	-14.8	183.0	(3)	145.0	(6)	18.6
5	USX-US Steel	-22.8	218.8	(2)	253.1	(1)	22.2
6	Bethlehem Steel	-27.9	157.0	(6)	150.1	(5)	27.5
7	Armco	-35.4	167.9	(5)	194.4	(3)	9.5
	Industry medians	**-14.8**	**171.3**		**191.3**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Retailing-apparel							
1	Gap	7.9	86.9	(3)	39.6	(4)	29.0
2	Limited	5.2	78.8	(5)	43.8	(3)	78.0
3	Charming Shoppes	4.5	78.5	(6)	49.0	(2)	13.0
3	Nordstrom	4.5	106.0	(1)	68.1	(1)	30.0
5	Melville	3.0	86.1	(4)	35.6	(7)	114.8
6	Edison Bros Stores	2.9	66.3	(7)	36.8	(6)	20.9
7	US Shoe	0.9	60.6	(9)	25.6	(9)	45.0
8	TJX Cos	0.7	93.5	(2)	37.5	(5)	29.5
9	Brown Group	0.6	65.2	(8)	26.6	(8)	26.5
	Industry medians	**3.0**	**78.8**		**37.5**		
Retailing-consumer electronics							
1	Intelligent Electron	19.1	1,075.9	(1)	331.9	(1)	2.0
2	Tandy	4.4	112.9	(3)	82.3	(2)	40.0
3	Circuit City Stores	3.8	165.4	(2)	76.1	(3)	15.8
	Industry medians	**4.4**	**165.4**		**82.3**		
Retailing-department stores							
1	Dillard Dept Stores	6.4	125.6	(1)	108.9	(2)	32.1
2	Mercantile Stores	4.9	103.9	(3)	71.2	(5)	23.5
3	May Dept Stores	4.5	91.9	(4)	75.6	(4)	115.5
4	Sears, Roebuck	2.8	124.4	(2)	223.5	(1)	460.0
5	JC Penney	1.4	85.5	(6)	66.1	(6)	189.4
6	Carter Hawley Hale	-7.6	70.6	(7)	59.1	(7)	28.8
7	Federated Dept Strs	NA	91.6	(5)	92.5	(3)	77.0
	Industry medians	**3.7**	**91.9**		**75.6**		
Retailing-drug & discount							
1	Medco Containment	21.4	392.6	(1)	279.8	(1)	4.0
2	Wal-Mart Stores	4.6	125.6	(4)	44.2	(9)	349.5
3	Rite Aid	4.0	123.5	(5)	59.0	(3)	29.7
3	Walgreen	4.0	138.7	(3)	44.2	(9)	49.8
5	Longs Drug Stores	3.7	157.2	(2)	44.7	(6)	15.1
6	ShopKo Stores	2.5	81.8	(11)	43.4	(11)	19.4
7	Kmart	2.4	96.6	(9)	44.3	(8)	361.0
8	Fred Meyer	2.0	117.8	(7)	42.4	(12)	23.0
9	Dayton Hudson	1.9	101.4	(8)	59.7	(2)	159.0
10	Hills Dept Stores	0.5	81.3	(12)	45.1	(5)	20.7
11	Caldor	0.4	120.5	(6)	49.3	(4)	15.5
12	Woolworth	-0.4	69.3	(13)	32.3	(13)	143.0
13	Ames Dept Stores	-9.8	95.8	(10)	44.6	(7)	32.3
	Industry medians	**2.4**	**117.8**		**44.6**		
Retailing-home improvement							
1	Home Depot	10.1	207.5	(1)	101.4	(1)	24.8
2	Hechinger	2.1	131.3	(4)	76.3	(3)	12.2
2	Waban	2.1	198.8	(2)	56.2	(4)	14.0
4	Lowe's Cos	0.4	180.2	(3)	85.0	(2)	17.0
	Industry medians	**2.1**	**189.5**		**80.7**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Retailing-specialty retailers							
1	Price Co	8.5	424.3	(1)	128.6	(2)	16.2
2	Toys 'R' Us	8.3	149.4	(6)	110.9	(3)	41.0
3	Blockbuster	7.0	65.0	(9)	60.2	(7)	13.4
4	Jostens	6.6	88.5	(7)	53.3	(8)	9.8
5	Costco Wholesale	6.5	399.6	(2)	94.7	(4)	14.1
6	AutoZone	4.7	82.9	(8)	39.9	(9)	10.5
7	Service Merchandise	3.4	151.9	(5)	70.3	(5)	22.4
8	Office Depot	1.7	156.3	(4)	67.2	(6)	8.3
9	Spiegel	1.4	162.7	(3)	141.9	(1)	12.2
	Industry medians	**6.5**	**151.9**		**70.3**		
Transport-railroad							
1	Illinois Central	21.6	181.3	(1)	390.3	(1)	3.0
2	Santa Fe Pacific	6.1	148.9	(4)	329.5	(2)	15.8
3	Union Pacific	1.4	149.3	(3)	283.0	(4)	47.1
4	Norfolk Southern	0.9	139.3	(6)	317.6	(3)	32.0
5	CSX	-1.5	172.9	(2)	256.3	(6)	49.9
6	Consolidated Rail	-8.0	125.8	(7)	274.5	(5)	25.9
7	Burlington Northern	-9.6	143.5	(5)	199.1	(7)	31.8
	Industry medians	**0.9**	**148.9**		**283.0**		
Transport-trucking & shipping							
1	Alexander & Baldwin	31.0	241.9	(2)	522.0	(1)	3.0
2	American President	12.6	480.1	(1)	296.8	(2)	5.1
3	Roadway Services	3.4	86.0	(6)	40.3	(6)	37.0
4	Yellow Freight Sys	0.9	81.7	(7)	38.2	(7)	28.7
5	Consol Freightways	-1.0	103.3	(3)	57.9	(5)	39.5
5	Federal Express	-1.5	92.7	(5)	71.1	(3)	81.7
6	Pittston	-1.5	97.3	(4)	62.5	(4)	19.8
	Industry medians	**0.9**	**97.3**		**62.5**		
Travel-airline							
1	Southwest Airlines	2.9	142.8	(3)	199.7	(1)	9.2
2	AMR	-2.3	125.9	(6)	158.3	(2)	102.4
3	Delta Air Lines	-3.8	158.1	(1)	143.3	(3)	63.4
4	UAL	-4.2	149.3	(2)	126.4	(5)	78.1
5	USAir Group	-6.0	127.7	(5)	126.5	(4)	51.0
6	Continental Airlines	-7.6	137.5	(4)	91.1	(6)	40.4
	Industry medians	**-4.0**	**140.2**		**134.9**		
Travel-hotels & recreation							
1	Walt Disney	12.3	120.5	(1)	187.8	(1)	55.0
2	Caesars World	7.7	94.6	(2)	89.2	(3)	10.1
2	Circus Circus	7.7	60.3	(4)	58.6	(5)	13.4
4	Carnival Cruise Lines	5.4	89.2	(3)	168.2	(2)	15.8
5	Hilton Hotels	2.2	27.8	(7)	56.1	(6)	39.0
6	Marriott	0.4	40.5	(6)	31.1	(7)	205.7
7	Bally Manufacturing	-1.1	45.8	(5)	87.9	(4)	30.8
	Industry medians	**5.4**	**60.3**		**87.9**		

If the U.S. economy were static and predictable, there would be less need to look at four different pictures of corporate size. The following alphabetic summary shows where each of the Forbes 500s companies is ranked.

WHY USE FOUR measures—sales, profits, assets and market value—to assess corporate size? The best reason is the dynamic nature of American business and how quickly a company's—indeed an entire industry's—prospects can change. For example, measuring bigness strictly by sales would overlook emerging companies like software producer Borland International. Borland's sales were only $502 million last year. But it's a powerhouse in an up-and-coming industry; Wall Street values it at $1.7 billion. As a result, Borland is number 403 on the Market Value 500, even though it fails to qualify for the Sales 500 ranking.

Measured by sales, assets and even market value, companies like IBM, General Motors, Ford or Chrysler are giants. FORBES recognizes the importance of these firms even though all of them posted massive losses in 1991. The Super 50 (see Introduction, p. 190) identifies America's most powerful corporations based on their rankings on each of the four other lists.

Notice that ranking companies four ways provides a kind of early-notice system. For example, Amgen, the biotechnology firm, popped onto the Forbes Market Value 500 a year ago and now appears on the Profits 500 as well. If Borland continues its rapid growth, it too will begin to show up on the other rankings in the years ahead.

The list on the following pages contains 790 companies, 14 more than last year. Of this total, 245 firms make the rankings in all four categories—sales, profits, assets and market value. On the other hand, there are 227 companies that appear on only one of the lists. Some, like Amgen and Borland, are on their way up. Others, like American Savings and Crown Central Petroleum, are on their way down. That's life in a dynamic economy.–ERIC S. HARDY

Where they rank: 1991				Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
Sales	Net profits	Assets	Market value							
133	29	266	16	Abbott Laboratories	6,877	1,088.7	6,255	25,667	1,467.7	44.7
■	253	■	445	Advanced Micro Devices	1,227	145.3	1,292	1,579	301.2	11.6
■	■	■	449	AES	334	42.6	1,440	1,563	71.8	0.5
29	82	15	164	Aetna Life & Casualty	19,196	505.2	91,988	4,816	675.2	47.7
■	■	466	■	Affiliated Bankshares of Colorado	269	18.1	2,912	336	25.8	2.1
273	246	177	330	Aflac[1]	3,283	148.7	10,145	2,283	148.7	3.2
204	158	31	379	HF Ahmanson	4,592	245.8	47,276	1,918	343.2	10.6
305	154	348	155	Air Products & Chemicals	2,967	252.5	4,417	5,059	575.2	14.3
108	152	■	131	Albertson's	8,680	257.8	2,216	5,798	390.6	59.0
194	444	■	404	Alco Standard	4,805	71.4	1,948	1,714	138.9	19.9
■	■	487	■	Alexander & Alexander Services	1,369	–10.4	2,767	882	61.8	15.7
■	366	■	497	Alexander & Baldwin	721	92.4	1,555	1,352	169.2	3.0
■	481	342	■	Alleghany	1,417	64.0	4,539	795	96.0	10.6
383	203	326	332	Allegheny Power System	2,282	194.0	4,855	2,271	383.7	6.0
■	■	■	454	Allergan	839	–59.5	834	1,542	–13.3	6.0
63	■	171	97	Allied-Signal	11,831	–273.0	10,382	7,236	231.0	102.1
453	206	484	237	Alltel	1,748	189.0	2,787	3,088	406.0	11.6
89	486	159	125	Aluminum Co of America	9,884	62.7	11,178	5,988	794.3	65.6
■	■	■	231	ALZA	140	–62.1	580	3,244	–55.6	0.8
244	■	293	408	AMAX	3,772	30.2	5,542	1,684	349.1	20.5
461	■	■	375	Amdahl	1,702	4.4	2,336	1,929	156.3	9.1
151	384	205	239	Amerada Hess	6,267	84.3	8,841	3,071	1,102.4	10.3

■ Not on 500 list. [1] Formerly American Family.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
113	42	110	74	American Brands	8,379	806.1	15,116	8,930	1,087.3	48.5
187	115	314	130	American Cyanamid	4,986	358.8	5,054	5,807	626.7	31.8
185	85	121	133	American Electric Power	5,047	497.9	14,125	5,744	1,043.3	22.5
19	43	6	60	American Express	25,763	789.0	146,441	10,506	1,542.0	108.8
216	88	46	170	American General	4,395	480.0	36,105	4,721	480.0	11.5
■	364	■	473	American Greetings	1,513	92.7	1,474	1,465	136.1	21.1
125	17	281	17	American Home Products	7,079	1,375.3	5,939	23,987	1,542.4	48.3
35	12	19	30	American International Group	16,884	1,553.0	69,389	19,104	1,878.2	33.8
363	■	447	■	American Medical Holding	2,449	3.6	3,128	747	164.4	31.8
■	287	312	■	American National Insurance	1,197	126.0	5,077	987	139.8	7.5
364	479	■	■	American President Cos Ltd	2,449	64.0	1,514	453	170.5	5.1
■	■	422	■	American Savings Bank	301	–160.1	3,454	2	–151.5	0.9
23	163	235	327	American Stores	20,823	240.2	6,978	2,311	276.2	153.4
5	75	26	7	American Telephone & Telegraph	63,089	522.0	53,355	53,223	4,090.0	323.0
■	427	■	■	American Water Works	633	73.6	2,241	686	125.7	4.0
75	24	81	39	Ameritech	10,818	1,165.5	22,290	15,565	3,080.2	74.9
296	■	■	■	Ames Department Stores	3,091	–317.3	1,439	15	–255.1	32.3
■	346	■	85	Amgen	682	97.9	866	8,258	119.3	1.4
20	23	58	21	Amoco	25,325	1,173.0	30,510	22,025	3,412.0	54.3
295	150	453	112	AMP	3,095	259.7	3,007	6,390	515.0	24.9
50	■	102	128	AMR	12,887	–239.9	16,208	5,916	643.5	102.4
■	402	194	■	AmSouth Bancorporation	900	80.4	9,459	998	104.0	5.2
■	■	218	■	Anchor Bancorp	804	49.3	8,278	85	71.2	1.8
73	34	180	34	Anheuser-Busch Cos	10,996	939.8	9,987	16,462	1,473.9	45.2
308	160	148	267	Aon	2,931	242.0	11,633	2,790	332.9	10.0
147	123	392	91	Apple Computer	6,496	325.4	3,745	7,569	532.4	14.5
103	84	237	79	Archer Daniels Midland	8,801	499.1	6,964	8,662	800.8	12.5
■	383	■	■	Argonaut Group	517	84.4	1,946	695	97.6	0.8
320	■	322	■	Arkla	2,779	13.4	4,970	1,063	203.4	9.4
496	■	■	■	Armco	1,595	–336.5	1,847	521	–291.3	9.5
366	■	■	■	Armstrong World Industries	2,439	48.2	2,150	1,197	183.9	24.1
472	■	■	■	Arvin Industries	1,676	23.2	1,125	487	85.8	16.9
438	■	463	■	Asarco	1,910	46.0	2,937	1,134	120.8	9.2
99	208	300	374	Ashland Oil	9,135	185.6	5,356	1,931	469.9	33.2
■	451	■	■	AST Research	827	70.1	515	583	80.7	2.5
■	379	■	■	Atlantic Energy	778	85.6	2,151	1,040	151.7	2.0
34	46	69	37	Atlantic Richfield	17,037	709.0	24,492	15,723	2,734.0	27.8
446	164	■	111	Automatic Data Processing	1,811	238.9	1,659	6,427	355.2	19.0
■	■	■	282	AutoZone	868	49.2	418	2,641	59.5	10.5
351	485	■	424	Avery Dennison	2,545	63.0	1,740	1,623	155.3	18.0
465	■	■	■	Avnet	1,694	51.2	1,175	896	74.7	7.4
250	269	■	229	Avon Products	3,593	135.7	1,729	3,267	197.1	30.4
327	229	468	317	Baker Hughes	2,747	161.7	2,895	2,374	316.2	21.1
388	460	■	■	Ball Corp	2,267	66.2	1,559	966	174.2	12.9
■	■	492	■	Bally Manufacturing	1,412	–34.5	2,710	253	104.7	30.8
■	■	440	■	Baltimore Bancorp	313	–126.7	3,186	83	–124.0	1.2
361	169	233	293	Baltimore Gas & Electric	2,459	233.7	7,079	2,561	476.1	9.5
224	74	33	75	Banc One	4,097	529.5	46,293	8,893	618.5	21.4

■ Not on 500 list.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
■	309	152	498	Bancorp Hawaii	1,023	112.7	11,409	1,351	132.5	4.0
■	404	■	400	Bandag	583	79.6	442	1,747	101.4	2.4
209	■	53	481	Bank of Boston	4,547	-34.4	32,700	1,433	72.7	16.8
222	295	42	271	Bank of New York	4,225	122.0	39,426	2,714	277.4	13.5
■	■	347	■	Bank South	508	-55.2	4,445	314	-40.7	2.9
60	27	8	68	BankAmerica	12,268	1,124.0	115,509	9,904	1,426.0	55.4
134	51	21	171	Bankers Trust New York	6,844	667.0	63,959	4,718	762.0	12.7
■	476	208	■	BanPonce	927	64.6	8,780	722	103.7	6.5
■	■	■	453	CR Bard	876	57.2	658	1,542	86.7	8.9
276	292	52	340	Barnett Banks	3,274	123.8	32,721	2,233	243.1	18.1
■	378	■	259	Bausch & Lomb	1,520	85.9	1,770	2,864	154.6	13.4
101	60	199	61	Baxter International	8,921	591.0	9,340	10,330	1,018.0	65.4
■	■	493	■	Bay View Capital	282	9.6	2,710	122	13.6	0.3
■	■	189	■	BayBanks	1,021	9.7	9,516	461	33.3	5.6
■	496	267	■	BB&T Financial	594	60.2	6,229	654	68.3	3.2
355	170	23	377	Bear Stearns Cos	2,527	232.5	54,670	1,927	270.3	5.7
398	211	471	274	Becton Dickinson	2,191	182.1	2,860	2,683	334.0	18.6
59	18	63	33	Bell Atlantic	12,280	1,331.6	27,882	16,733	3,630.3	78.7
41	13	57	23	BellSouth	14,446	1,506.9	30,942	21,658	4,472.3	99.0
447	245	181	417	Beneficial Corp	1,810	148.8	9,964	1,651	191.1	8.0
192	■	■	■	Bergen Brunswig	4,863	55.9	1,492	700	71.2	3.7
294	96	117	63	Berkshire Hathaway	3,106	439.9	14,462	10,228	477.1	22.0
220	■	364	■	Bethlehem Steel	4,318	-767.0	4,128	1,175	-525.6	27.5
■	417	■	426	Betz Laboratories	666	75.5	476	1,616	109.4	3.8
382	■	■	■	Beverly Enterprises	2,301	29.2	1,673	654	117.5	92.5
■	321	■	447	BHC Communications	263	108.1	1,978	1,567	254.4	0.8
371	■	■	■	Bindley Western Industries	2,393	11.4	496	112	15.1	0.4
■	■	■	303	Biomet	260	48.5	242	2,487	55.6	1.3
199	■	295	441	Black & Decker	4,637	53.0	5,533	1,592	255.3	41.0
■	239	■	205	H&R Block	1,328	150.7	714	3,605	190.5	4.2
■	359	■	309	Blockbuster Entertainment	868	93.7	804	2,419	282.9	13.4
■	■	■	427	BMC Software	174	42.0	207	1,615	49.5	0.8
498	241	97	416	Boatmen's Bancshares	1,588	150.1	17,635	1,654	192.3	8.8
17	11	106	41	Boeing	29,314	1,567.0	15,784	15,237	2,393.0	159.1
236	■	331	■	Boise Cascade	3,950	-79.5	4,729	882	165.8	19.7
124	140	297	166	Borden	7,235	294.9	5,481	4,799	511.8	44.4
■	■	■	403	Borland International	502	-80.7	386	1,719	-40.9	2.4
■	356	448	■	Boston Edison	1,320	94.7	3,120	970	259.3	4.7
■	■	486	■	Bowater	1,289	45.6	2,780	931	177.6	5.0
72	5	195	9	Bristol-Myers Squibb	11,159	2,056.0	9,416	41,627	2,302.0	53.2
■	■	145	■	Broad	809	46.8	11,836	552	46.8	1.2
■	469	■	■	Brooklyn Union Gas	1,005	65.5	1,828	816	115.9	3.6
■	258	■	362	Brown-Forman	1,203	141.9	1,133	2,039	179.0	5.5
454	■	■	■	Brown Group	1,728	15.7	705	463	45.8	26.5
284	■	396	208	Browning-Ferris Industries	3,183	44.6	3,693	3,527	398.6	26.1
339	483	■	■	Bruno's	2,658	63.5	834	1,279	106.8	21.0
408	■	■	490	Brunswick	2,088	-23.7	1,857	1,384	109.7	20.0
208	■	263	203	Burlington Northern	4,559	-306.0	6,324	3,661	41.0	31.8

■ Not on 500 list.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
452	192	265	172	Burlington Resources	1,754	205.4	6,290	4,674	494.5	4.7
■	■	■	446	Cabletron Systems	263	52.4	208	1,570	58.9	1.7
■	297	■	■	Cabot	1,467	120.6	1,571	775	202.7	5.7
■	412	■	■	Caesars World	951	77.6	897	926	135.0	10.1
443	■	■	■	Caldor	1,868	5.9	764	231	40.8	15.5
456	■	93	■	CalFed	1,716	–139.1	18,395	83	–91.3	4.3
156	95	352	73	Campbell Soup	6,132	450.9	4,376	9,184	648.0	47.4
177	109	246	96	Capital Cities/ABC	5,382	374.7	6,696	7,271	533.1	19.9
337	155	89	273	Capital Holding	2,671	250.2	18,873	2 688	270.9	8.5
■	381	497	175	Carnival Cruise Lines	1,405	85.0	2,650	4,569	170.2	15.8
335	107	226	186	Carolina Power & Light	2,686	377.0	7,523	4,239	818.2	8.1
399	■	■	■	Carter Hawley Hale Stores	2,187	–132.6	1,700	76	–83.6	28.8
■	■	■	459	Carter-Wallace	669	45.6	572	1,518	66.1	4.2
83	■	141	159	Caterpillar	10,182	–404.0	12,042	5,021	198.0	56.0
490	490	■	■	CBI Industries	1,615	61.1	1,479	1,279	143.7	13.0
300	■	480	338	CBS	3,035	–85.8	2,799	2,247	–25.9	6.4
■	228	416	204	Centel	1,181	161.8	3,492	3,617	367.8	10.8
348	166	140	294	Centerior Energy	2,569	237.4	12,042	2,558	480.1	8.6
402	■	■	■	Centex	2,155	29.4	2,011	809	45.4	5.2
299	108	197	162	Central & South West	3,047	375.0	9,396	4,848	701.0	8.5
■	499	272	■	Central Bancshares of the South	572	59.4	6,122	660	71.7	2.8
■	493	241	■	Central Fidelity Banks	639	60.4	6,806	780	73.5	3.2
195	■	212	284	Champion International	4,789	40.3	8,656	2,615	381.9	28.0
■	■	■	443	Charming Shoppes	1,021	58.3	637	1,581	90.0	13.0
62	76	12	209	Chase Manhattan	11,840	520.0	98,197	3,514	775.0	37.8
43	235	7	81	Chemical Banking	14,145	154.0	138,930	8,559	346.0	44.4
13	21	47	22	Chevron	36,461	1,293.0	34,636	21,917	3,944.0	54.7
200	280	445	419	Chiquita Brands International	4,627	128.5	3,143	1,643	201.6	46.0
16	■	38	151	Chrysler	29,370	–538.0	43,071	5,255	927.0	99.9
211	69	124	136	Chubb	4,513	552.0	13,775	5,707	585.9	10.1
31	94	20	192	Cigna	18,750	453.0	66,737	3,992	453.0	53.4
■	251	423	378	Cincinnati Financial	1,161	146.3	3,436	1,922	152.3	1.9
■	189	339	363	Cincinnati Gas & Electric	1,518	207.0	4,584	2,033	337.6	5.4
■	441	■	■	Cipsco	722	72.1	1,754	912	141.5	2.7
301	■	■	■	Circle K	3,011	–250.8	1,063	23	–180.4	24.7
342	491	■	431	Circuit City Stores	2,616	60.9	1,204	1,608	94.6	15.8
■	329	■	326	Circus Circus Enterprises	806	103.3	783	2,315	152.2	13.4
■	500	■	307	Cisco Systems	244	58.8	219	2,457	63.5	0.4
■	■	309	■	Citadel Holding	533	2.7	5,127	99	12.7	0.8
15	■	1	121	Citicorp	31,839	–914.0	216,922	6,103	–190.0	90.5
■	310	■	366	Citizens Utilities	548	112.4	1,721	2,001	159.6	2.3
■	■	340	■	City National	437	–21.2	4,565	431	–16.3	2.2
471	487	■	289	Clorox	1,679	62.2	1,484	2,572	154.4	5.8
307	■	269	395	CMS Energy	2,941	–261.3	6,194	1,776	21.7	9.5
■	■	214	■	Coast Savings Financial	880	41.7	8,596	153	53.6	1.8
94	350	192	318	Coastal Corp	9,549	96.3	9,487	2,373	397.7	16.3
67	8	174	6	Coca-Cola	11,572	1,618.0	10,222	53,823	1,879.4	26.5
228	■	249	411	Coca-Cola Enterprises	4,051	–82.4	6,677	1,671	168.8	22.5

■ Not on 500 list.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
159	290	343	100	Colgate-Palmolive	6,060	124.9	4,511	7,138	271.1	24.9
■	■	452	■	Colorado National Bankshares	395	10.8	3,044	331	24.5	2.7
345	■	262	■	Columbia Gas System	2,577	–794.8	6,332	929	–509.8	10.6
■	■	482	358	Comcast	721	–155.6	2,794	2,086	8.7	3.6
395	461	308	■	Comdisco	2,197	66.0	5,148	598	1,008.0	2.1
■	236	119	392	Comerica	1,401	153.4	14,451	1,799	190.7	7.1
■	497	243	■	Commerce Bancshares	594	59.8	6,765	681	83.1	3.8
■	■	335	■	Commercial Federal	542	41.6	4,664	72	58.4	0.9
150	352	87	92	Commonwealth Edison	6,276	94.9	20,084	7,551	969.1	19.6
277	278	478	312	Compaq Computer	3,271	130.9	2,826	2,410	296.7	10.8
■	218	■	251	Computer Associates International	1,438	173.0	2,308	2,967	307.9	6.8
429	467	■	■	Computer Sciences	1,945	65.5	1,342	1,128	125.0	22.5
24	114	163	114	ConAgra	20,459	363.9	10,667	6,378	669.2	70.6
495	365	■	■	Conner Peripherals	1,599	92.5	1,335	1,198	142.6	8.9
■	296	150	■	Conseco	1,392	121.0	11,596	888	230.4	1.0
162	66	160	120	Consolidated Edison	5,873	566.9	11,108	6,165	926.7	19.3
225	■	■	■	Consolidated Freightways	4,082	–40.4	2,285	627	128.1	39.5
343	223	319	249	Consolidated Natural Gas	2,607	168.6	5,011	2,969	453.3	7.7
■	369	■	386	Consolidated Papers	872	91.4	1,411	1,847	156.4	4.8
280	■	232	212	Consolidated Rail	3,252	–207.0	7,096	3,443	100.0	25.9
173	■	398	■	Continental Airlines Holdings	5,551	–305.7	3,678	11	–59.7	40.4
381	■	73	■	Continental Bank	2,301	–76.0	24,008	921	–55.6	5.2
175	■	122	460	Continental Corp	5,425	55.7	14,047	1,518	110.9	14.9
154	104	228	113	Cooper Industries	6,163	393.2	7,149	6,381	651.2	55.7
■	405	■	347	Cooper Tire & Rubber	1,001	79.4	671	2,141	111.4	6.4
436	■	■	■	Adolph Coors	1,917	23.9	1,986	703	167.8	11.3
372	174	83	305	CoreStates Financial	2,386	228.1	21,624	2,473	321.7	13.4
278	129	384	110	Corning	3,259	311.2	3,853	6,484	542.5	29.7
171	368	■	180	Costco Wholesale	5,614	91.5	1,331	4,464	118.7	14.1
153	110	344	105	CPC International	6,189	372.7	4,510	6,644	627.2	34.9
■	308	■	■	Cray Research	862	113.0	1,079	1,189	232.4	5.1
■	■	146	■	Crestar Financial	1,211	33.8	11,828	757	74.0	5.8
451	■	■	■	Crown Central Petroleum	1,765	–6.0	688	243	27.3	4.3
241	283	456	291	Crown Cork & Seal	3,807	128.1	2,983	2,566	256.5	17.5
■	■	351	■	CSF Holdings	381	22.4	4,384	49	27.7	0.9
109	■	131	115	CSX	8,636	–76.0	12,798	6,327	425.0	49.9
■	■	450	■	Cullen/Frost Bankers	289	0.2	3,079	178	7.7	1.7
259	■	■	■	Cummins Engine	3,406	–65.6	2,041	946	61.6	23.9
470	■	■	■	Cyprus Minerals	1,679	42.7	1,966	849	197.1	8.2
205	■	360	442	Dana	4,591	13.5	4,179	1,584	206.1	36.0
■	413	■	■	Data General	1,212	77.2	995	346	185.7	9.6
■	■	404	■	Dauphin Deposit	334	45.7	3,612	470	51.2	1.7
37	135	193	177	Dayton Hudson	16,115	301.0	9,485	4,550	711.0	159.0
401	435	■	■	Dean Foods	2,168	72.7	883	999	122.8	9.3
126	■	149	191	Deere & Co	7,069	3.0	11,623	4,021	214.4	37.5
■	400	■	■	Delmarva Power & Light	845	80.5	2,264	1,080	179.8	2.8
85	■	203	227	Delta Air Lines	10,020	–239.5	9,083	3,274	321.5	63.4
■	210	■	213	Deluxe	1,474	182.9	1,099	3,436	258.9	17.4

■ Not on 500 list.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
■	■	313	■	Deposit Guaranty	446	32.2	5,059	271	46.8	2.5
251	65	170	174	Detroit Edison	3,592	568.0	10,464	4,575	980.3	9.5
272	■	406	435	Dial[2]	3,310	-5.1	3,592	1,601	103.1	32.8
346	■	■	■	Diamond Shamrock	2,576	37.1	1,222	599	89.5	5.9
42	■	143	102	Digital Equipment	14,238	-864.5	11,944	7,072	-21.5	122.5
229	191	414	167	Dillard Department Stores	4,036	206.2	3,499	4,798	318.9	32.1
■	■	172	■	Dime Savings Bank of New York FSB	1,011	-51.0	10,329	107	-33.7	2.3
■	■	407	■	Discount Corp of New York	266	-13.6	3,582	90	-11.3	0.4
141	50	173	28	Walt Disney	6,627	674.3	10,327	19,574	1,501.6	55.0
281	273	483	357	Dole Food[3]	3,216	133.7	2,793	2,086	220.5	50.5
■	■	186	■	Dominion Bankshares	1,030	20.6	9,711	559	53.7	5.3
243	91	158	135	Dominion Resources	3,786	459.9	11,201	5,721	1,013.1	12.8
237	195	427	196	RR Donnelley & Sons	3,915	204.9	3,404	3,886	446.9	29.3
396	282	■	310	Dover	2,196	128.2	1,357	2,418	213.6	19.7
30	33	68	35	Dow Chemical	18,807	942.0	24,727	16,276	2,407.0	62.2
455	439	■	211	Dow Jones	1,725	72.2	2,471	3,464	255.4	9.6
■	■	388	■	Downey Savings & Loan Assn	340	24.9	3,778	247	24.9	0.8
■	299	459	409	DPL	996	119.2	2,973	1,674	215.6	3.1
■	274	378	461	DQE	1,199	133.6	3,935	1,508	309.3	4.3
202	266	439	275	Dresser Industries	4,607	135.9	3,191	2,678	239.1	32.5
■	456	■	452	Dreyfus	282	67.9	847	1,557	74.7	1.6
11	16	45	13	El du Pont de Nemours	38,151	1,403.0	36,117	30,997	4,354.0	138.5
240	62	168	106	Duke Power	3,817	583.6	10,471	6,627	1,203.4	18.8
198	78	328	65	Dun & Bradstreet	4,643	508.5	4,777	10,082	859.4	60.7
497	307	■	238	Duracell International	1,589	113.6	2,282	3,088	258.9	7.8
422	315	■	■	E-Systems	1,991	109.5	1,075	1,079	160.6	18.5
28	■	71	48	Eastman Kodak	19,419	17.0	24,170	13,200	1,494.0	133.8
266	424	449	277	Eaton	3,381	74.0	3,087	2,657	239.0	36.1
467	■	■	■	Echlin	1,681	43.6	1,219	1,059	99.8	17.8
■	492	■	■	Edison Brothers Stores	1,385	60.8	769	827	120.3	20.9
■	367	■	■	AG Edwards	851	91.8	1,426	1,083	109.9	8.2
334	395	■	465	EG&G	2,689	81.2	698	1,495	115.0	35.0
123	55	252	51	Emerson Electric	7,443	637.7	6,562	12,330	933.0	69.5
367	377	■	430	Engelhard	2,436	87.9	1,256	1,608	165.8	6.7
45	161	178	197	Enron	13,520	241.8	10,072	3,755	607.7	7.2
315	■	442	■	Enserch	2,835	19.1	3,163	873	153.6	11.1
227	87	120	158	Entergy	4,051	482.0	14,383	5,029	880.9	13.1
■	■	■	472	Equifax	1,094	54.1	716	1,468	110.0	13.8
■	■	444	■	Equimark	355	-7.9	3,152	57	1.0	1.7
■	■	358	■	Equitable of Iowa Cos	731	31.1	4,229	338	41.6	5.2
■	477	■	■	Equitable Resources	680	64.2	1,375	746	118.8	2.3
347	190	222	248	Ethyl	2,575	206.7	7,905	2,973	296.5	5.9
2	1	16	2	Exxon	102,847	5,600.0	87,560	67,958	10,424.0	102.5
■	■	402	■	Farm & Home Financial	330	17.4	3,638	90	19.3	0.7
119	■	285	269	Federal Express	7,573	-118.6	5,806	2,750	440.3	81.7
221	67	32	90	Federal Home Loan Mortgage	4,262	555.0	46,860	7,728	555.0	2.3
46	15	5	31	Federal National Mortgage Assn	13,347	1,455.4	147,072	17,712	1,455.4	2.6
■	390	■	■	Federal Paper Board	1,435	82.4	2,493	1,322	205.1	7.4

■ Not on 500 list. [2] Formerly Greyhound Dial. [3] Formerly Castle & Cooke.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
127	■	230	■	Federated Department Stores	7,052	NA	7,127	1,148	NA	77.0
■	262	207	268	Fifth Third Bancorp	885	138.2	8,826	2,786	149.2	4.1
270	■	470	■	Fina[4]	3,336	42.0	2,861	1,124	231.0	3.8
■	411	244	■	First Alabama Bancshares	659	78.3	6,745	910	95.0	4.4
■	■	261	■	First American Corp	585	16.9	6,377	509	32.9	3.3
■	■	389	■	First Bancorporation of Ohio	360	39.6	3,766	465	50.0	2.5
445	204	94	359	First Bank System	1,821	190.4	18,301	2,078	236.9	8.9
193	305	28	360	First Chicago	4,830	116.3	48,963	2,067	274.3	18.8
■	■	298	■	First Citizens BancShares	492	29.2	5,466	288	44.5	3.7
■	■	182	■	First City Bancorp of Texas	1,144	-224.8	9,943	36	-186.6	6.6
■	■	321	■	First Commerce	478	34.0	4,995	459	46.1	2.6
■	458	202	■	First Empire State	851	67.2	9,171	823	76.8	3.1
322	179	59	296	First Fidelity Bancorp	2,778	221.2	30,215	2,541	258.9	10.6
■	376	296	458	First Financial Management	1,507	89.0	5,485	1,522	163.5	9.5
■	■	286	■	First Florida Banks	561	-42.4	5,770	459	-16.5	4.0
■	393	254	■	First Hawaiian	578	81.7	6,509	836	97.9	2.6
182	■	29	323	First Interstate Bancorp	5,093	-288.1	48,922	2,346	-262.2	30.3
■	270	101	■	First of America Bank	1,434	134.9	16,755	1,117	173.8	10.3
■	498	234	■	First Security	707	59.6	7,015	870	73.3	4.7
■	482	223	■	First Tennessee National	756	63.8	7,904	788	84.0	4.0
219	125	34	179	First Union	4,321	318.7	46,085	4,468	484.7	22.4
■	453	273	■	First Virginia Banks	588	69.6	6,119	830	93.6	4.5
■	271	138	437	Firstar	1,254	134.3	12,309	1,599	166.2	7.8
■	■	434	■	FirstFed Financial	304	28.4	3,287	239	29.1	0.4
■	■	196	■	FirstFed Michigan	950	34.1	9,415	184	43.9	1.4
■	■	460	■	FirsTier Financial	293	33.3	2,972	350	40.2	1.6
214	347	35	210	Fleet/Norstar Financial	4,439	97.7	45,445	3,466	337.8	21.9
49	437	461	■	Fleming Cos	12,902	72.3	2,956	1,156	163.5	22.9
■	436	■	384	FlightSafety International	268	72.4	691	1,861	108.8	2.3
410	219	317	319	Florida Progress	2,075	172.1	5,025	2,365	438.4	7.6
144	224	■	224	Fluor	6,580	163.8	2,367	3,294	287.5	20.9
238	217	479	412	FMC	3,899	173.1	2,816	1,667	399.5	23.5
48	193	■	98	Food Lion	6,439	205.2	1,992	7,214	309.8	50.4
3	■	3	29	Ford Motor	88,286	-2,258.0	174,428	19,512	3,520.3	332.7
■	■	■	499	Forest Laboratories	228	46.5	362	1,348	56.8	1.0
■	■	490	■	Fortune Bancorp	263	-11.6	2,724	55	-5.9	0.7
421	■	■	■	Foster Wheeler	1,992	43.3	1,635	987	78.6	9.1
■	■	361	■	Fourth Financial	416	23.1	4,163	472	38.2	2.1
179	162	155	140	FPL Group	5,249	240.6	11,282	5,678	758.6	15.3
■	325	■	368	Franklin Resources	334	104.0	627	1,983	108.5	2.1
■	348	408	236	Freeport-McMoRan	1,579	96.7	3,565	3,109	329.5	7.5
486	313	■	280	Fruit of the Loom	1,628	111.0	2,115	2,644	204.8	27.7
265	134	397	107	Gannett	3,382	301.6	3,684	6,625	501.4	36.7
356	172	■	116	Gap	2,519	229.9	1,147	6,253	305.4	29.0
■	389	413	■	GATX	989	82.7	3,514	571	210.4	4.7
403	202	367	228	Geico	2,147	196.4	4,086	3,268	207.5	7.0
420	■	■	■	GenCorp	1,993	32.0	1,113	448	111.0	14.2
■	■	■	223	Genentech	467	44.3	1,231	3,297	91.5	2.0

■ Not on 500 list. NA: Not available. [4] Formerly American Petrofina.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
253	■	310	402	General Cinema	3,584	–257.2	5,092	1,729	55.7	38.8
105	83	268	276	General Dynamics	8,751	505.0	6,207	2,667	808.0	89.4
6	2	4	3	General Electric	60,236	4,435.0	168,259	67,617	7,267.0	291.0
118	86	357	54	General Mills	7,607	493.4	4,240	11,107	725.1	102.7
1	■	2	11	General Motors	123,056	–4,992.0	184,157	32,078	3,118.2	756.3
267	183	227	261	General Public Utilities	3,372	217.6	7,405	2,840	654.9	12.3
283	52	135	87	General Re	3,207	656.7	12,405	8,058	657.2	2.5
489	■	■	■	General Signal	1,616	54.2	1,180	1,180	108.5	15.3
257	187	■	200	Genuine Parts	3,435	207.7	1,467	3,719	237.5	16.6
■	489	■	■	Georgia Gulf	838	61.5	416	936	87.9	1.1
69	■	166	122	Georgia-Pacific	11,524	–79.0	10,622	6,032	705.0	60.0
■	323	■	283	Gerber Products	1,209	106.4	838	2,622	138.1	12.0
262	330	■	478	Giant Food	3,397	102.3	1,252	1,444	192.0	25.7
197	97	382	59	Gillette	4,684	427.4	3,887	10,548	620.1	30.8
■	416	■	■	PH Glatfelter	568	76.0	630	1,214	106.7	3.5
437	■	85	■	GlenFed	1,911	–85.2	20,547	201	–41.6	5.3
391	165	70	304	Golden West Financial	2,241	238.6	24,298	2,478	253.3	3.6
359	■	■	■	BF Goodrich	2,472	–80.6	2,271	1,302	44.6	14.6
74	422	215	168	Goodyear Tire & Rubber	10,907	74.5	8,511	4,752	516.0	100.0
160	182	278	194	WR Grace	6,049	218.6	6,007	3,926	577.7	49.2
409	284	■	245	WW Grainger	2,077	127.7	1,217	2,998	160.1	8.7
66	446	435	■	Great Atlantic & Pacific Tea	11,591	70.7	3,249	1,290	294.8	98.7
■	■	469	■	Great Lakes Bancorp FSB	315	1.4	2,887	65	11.3	1.0
■	232	■	190	Great Lakes Chemical	1,308	157.5	1,649	4,052	221.3	5.5
235	137	41	324	Great Western Financial	3,953	298.1	39,600	2,336	384.2	14.4
■	■	473	■	Greater New York Savings Bank	246	–57.9	2,848	30	–55.3	0.7
234	341	■	■	Grumman	3,963	99.3	2,363	636	193.6	24.9
26	10	39	14	GTE	19,621	1,580.0	42,437	27,349	4,834.0	169.5
462	294	238	491	Gulf States Utilities	1,702	122.4	6,911	1,383	352.1	4.8
129	■	318	279	Halliburton	7,019	26.6	5,017	2,648	321.1	75.2
416	■	■	■	Hannaford Bros	2,008	43.4	706	1,013	94.0	16.2
448	■	409	■	Hanover Insurance Cos	1,808	48.7	3,560	774	48.7	5.5
■	488	■	■	Harnischfeger Industries	1,536	61.5	1,493	615	100.7	11.9
302	374	■	■	Harris Corp	2,997	89.7	2,417	1,290	277.0	32.1
430	414	■	■	Harsco	1,943	76.5	1,060	932	134.2	10.4
■	425	■	■	Hartford Steam Boiler Inspection & Ins	630	73.9	889	1,022	90.4	4.2
404	394	■	337	Hasbro	2,141	81.7	1,950	2,252	163.5	9.6
■	■	380	■	Hawaiian Electric Industries	1,084	54.8	3,905	867	116.7	3.3
412	409	■	423	HealthTrust	2,065	78.7	2,527	1,630	198.6	30.0
492	■	■	■	Hechinger	1,608	26.1	934	542	61.2	12.2
145	53	276	71	HJ Heinz	6,553	648.7	6,029	9,303	859.9	35.7
309	353	419	301	Hercules	2,929	94.9	3,467	2,492	275.3	18.6
311	181	■	199	Hershey Foods	2,899	219.5	2,342	3,720	304.9	13.4
40	39	139	25	Hewlett-Packard	14,949	856.0	12,276	20,863	1,493.0	90.6
■	■	283	■	Hibernia	690	–143.1	5,818	124	–120.4	3.4
■	375	■	278	Hillenbrand Industries	1,199	89.2	1,532	2,652	184.2	10.0
469	■	■	■	Hills Department Stores	1,680	10.0	931	30	53.1	20.7
■	385	■	333	Hilton Hotels	1,082	84.3	2,187	2,271	189.1	39.0

■ Not on 500 list.

Where they rank: 1991 — Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
180	156	■	45	Home Depot	5,137	249.2	2,510	13,854	301.4	24.8
479	■	123	■	HomeFed	1,663	-947.8	13,913	27	-909.7	3.5
152	121	327	152	Honeywell	6,193	331.1	4,807	5,132	617.1	59.3
■	■	495	■	Horace Mann Educators	657	24.9	2,695	601	43.6	2.5
323	387	■	488	Geo A Hormel	2,764	83.0	850	1,400	119.2	8.3
203	242	60	343	Household International	4,594	149.8	29,982	2,183	320.1	14.3
213	99	142	142	Houston Industries	4,444	417.4	12,029	5,472	875.5	13.2
■	■	369	■	Howard Savings Bank	344	-33.1	4,067	27	-25.7	1.8
■	371	■	418	Hubbell	756	90.6	685	1,651	112.8	5.5
149	116	345	195	Humana	6,344	355.0	4,484	3,921	622.0	66.3
■	304	137	500	Huntington Bancshares	1,219	117.0	12,333	1,345	156.7	6.2
79	■	■	■	IBP	10,388	1.4	1,450	822	66.0	26.5
442	■	288	■	ICH	1,872	-8.1	5,662	234	16.1	4.3
■	470	■	■	Illinois Central	550	65.4	1,184	1,002	85.9	3.0
■	316	303	413	Illinois Power	1,475	109.2	5,272	1,664	292.4	4.5
341	212	■	201	Illinois Tool Works	2,640	180.6	2,257	3,713	296.0	18.6
■	373	■	■	IMC Fertilizer Group	1,100	90.0	1,884	1,255	178.2	6.0
478	333	■	287	Imcera Group	1,664	101.8	2,015	2,575	189.0	9.7
■	■	253	■	INB Financial	643	48.1	6,556	796	67.8	3.4
252	240	457	216	Ingersoll-Rand	3,586	150.6	2,980	3,390	259.3	32.4
260	■	494	■	Inland Steel Industries	3,404	-275.1	2,698	774	-156.9	18.6
■	449	204	■	Integra Financial	802	70.2	8,847	875	90.7	4.0
196	40	264	47	Intel	4,779	818.6	6,292	13,241	1,242.0	24.5
400	■	■	■	Intelligent Electronics	2,173	38.6	670	816	55.3	2.0
■	445	■	■	Intergraph	1,195	71.1	997	923	139.2	10.0
4	■	14	8	International Business Machines	64,792	-564.0	92,473	49,179	6,216.0	358.8
■	221	■	193	International Flavors & Fragrances	1,017	168.7	1,217	3,960	198.1	4.2
■	■	■	432	International Game Technology	250	35.2	366	1,604	48.6	2.2
386	■	■	■	International Multifoods	2,271	39.0	921	523	72.9	9.2
53	102	112	80	International Paper	12,703	399.0	14,941	8,645	1,099.0	69.8
482	357	485	348	Interpublic Group of Cos	1,635	94.6	2,784	2,134	148.5	16.8
■	332	■	■	Ipalco Enterprises	648	102.0	1,832	1,192	181.2	2.4
466	■	443	■	Itel	1,689	-123.0	3,162	585	-34.4	5.3
25	41	24	93	ITT	20,421	817.0	53,867	7,524	1,352.0	112.0
■	■	■	345	IVAX	182	11.9	449	2,153	17.9	1.1
207	410	292	398	James River Corp of Virginia	4,562	78.3	5,627	1,763	374.8	38.6
■	216	323	385	Jefferson-Pilot	1,173	175.7	4,925	1,859	192.0	4.4
56	14	167	12	Johnson & Johnson	12,447	1,461.0	10,513	31,984	1,954.0	82.5
201	342	477	414	Johnson Controls	4,626	99.0	2,832	1,661	300.0	43.1
■	471	■	■	Jostens	872	65.1	525	1,273	87.3	9.8
249	495	■	■	JWP	3,594	60.3	2,281	772	109.5	21.0
■	327	■	■	Kansas City Power & Light	825	103.9	2,615	1,254	196.9	2.9
■	438	■	■	Kansas Power & Light	1,162	72.3	2,120	907	158.0	4.5
164	57	379	46	Kellogg	5,787	606.0	3,926	13,829	828.8	17.1
293	196	116	448	Kemper	3,131	204.5	14,697	1,563	204.5	9.3
275	335	424	389	Kerr-McGee	3,274	101.6	3,421	1,822	405.6	6.4
389	207	76	222	KeyCorp	2,259	188.1	23,156	3,311	239.3	12.2
138	79	289	83	Kimberly-Clark	6,777	508.3	5,650	8,524	773.8	40.6

■ Not on 500 list.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
■	360	■	■	King World Productions	505	93.6	591	1,010	105.5	0.5
14	38	104	57	Kmart	34,859	859.0	15,999	10,916	1,411.0	361.0
392	276	■	235	Knight-Ridder	2,237	132.1	2,333	3,124	256.7	20.4
21	336	365	439	Kroger	21,351	100.7	4,114	1,596	471.8	170.0
■	398	■	■	KU Energy	588	80.6	1,426	927	137.9	2.1
■	354	338	■	Leucadia National	NA	94.8	4,590	564	148.4	3.9
■	388	■	■	LG&E Energy	715	83.0	2,054	985	159.7	3.3
■	■	354	■	Liberty National Bancorp	396	37.8	4,338	531	50.6	2.1
167	19	217	24	Eli Lilly	5,726	1,314.7	8,299	20,870	1,614.2	30.2
155	101	425	58	Limited	6,149	403.3	3,419	10,803	626.0	78.0
96	185	49	316	Lincoln National	9,304	208.4	34,095	2,380	291.6	17.2
174	455	315	369	Litton Industries	5,463	68.4	5,033	1,980	291.9	51.5
417	177	■	218	Liz Claiborne	2,007	222.7	1,175	3,383	249.7	6.5
90	130	251	265	Lockheed	9,809	308.0	6,617	2,804	647.0	72.7
■	442	■	407	Loctite	561	71.9	529	1,702	91.0	3.6
51	35	43	101	Loews	12,881	904.3	39,195	7,123	1,004.0	26.7
350	132	188	292	Long Island Lighting	2,549	305.5	9,543	2,561	531.3	6.6
373	■	■	■	Longs Drug Stores	2,366	55.4	673	738	78.7	15.1
312	312	■	■	Loral	2,870	112.1	2,509	1,102	237.1	18.2
■	■	■	444	Lotus Development	829	43.1	726	1,581	109.3	3.9
463	■	■	321	Louisiana-Pacific	1,702	55.9	2,107	2,348	205.7	12.5
298	■	■	468	Lowe's Cos	3,056	6.5	1,441	1,476	64.8	17.0
161	423	248	■	LTV	5,986	74.1	6,685	89	301.2	35.0
■	293	■	334	Lubrizol	1,476	123.7	1,172	2,266	183.1	5.2
166	178	■	382	Lyondell Petrochemical	5,729	222.0	1,479	1,870	263.0	2.3
317	■	■	■	Manpower	2,800	-53.3	981	1,182	47.9	9.7
■	298	125	482	Manufacturers National	1,160	120.2	13,544	1,432	150.6	6.2
414	■	454	■	Manville	2,025	-12.7	3,003	432	122.7	16.9
340	288	■	397	Mapco	2,643	125.9	1,702	1,769	217.0	6.2
313	61	488	69	Marion Merrell Dow	2,851	585.0	2,762	9,636	673.0	9.1
114	391	259	410	Marriott	8,331	82.0	6,400	1,671	344.9	205.7
321	133	■	143	Marsh & McLennan Cos	2,779	305.5	2,382	5,460	418.6	23.9
■	340	225	■	Marshall & Ilsley	835	99.3	7,628	1,109	119.9	6.1
158	128	381	272	Martin Marietta	6,075	313.1	3,897	2,700	538.2	61.0
291	■	387	183	Masco	3,141	44.9	3,786	4,363	147.6	40.7
487	302	■	346	Mattel	1,622	118.1	1,061	2,149	175.7	13.8
390	■	436	■	Maxxam	2,255	57.5	3,215	364	183.9	11.9
77	77	210	95	May Department Stores	10,615	515.0	8,728	7,398	834.0	115.5
303	407	■	356	Maytag	2,971	79.0	2,535	2,087	171.7	23.4
■	255	■	376	MBIA	269	144.7	2,278	1,928	152.1	0.3
■	244	277	367	MBNA	1,134	149.2	6,009	1,986	168.4	5.0
■	■	211	141	McCaw Cellular Communications	1,366	-351.1	8,717	5,607	51.3	6.3
■	397	■	365	McCormick & Co	1,428	80.9	1,032	2,022	121.4	7.7
140	37	153	40	McDonald's	6,695	859.6	11,349	15,465	1,373.8	168.0
32	98	113	329	McDonnell Douglas	18,448	423.0	14,841	2,294	951.0	115.2
431	248	■	243	McGraw-Hill	1,943	148.0	2,525	3,035	220.1	13.7
112	70	213	76	MCI Communications	8,433	551.0	8,599	8,848	1,396.0	24.5
92	338	491	■	McKesson	9,711	100.3	2,714	1,300	178.9	13.6

■ Not on 500 list. NA: Not available.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
206	466	375	336	Mead	4,579	65.6	3,986	2,252	354.0	21.6
■	382	■	178	Medco Containment Services	1,551	84.5	1,105	4,547	100.0	4.0
■	■	■	479	Medical Care International	282	38.3	523	1,437	51.8	2.6
■	233	■	176	Medtronic	1,125	154.3	1,117	4,565	201.0	7.3
289	143	62	370	Mellon Bank	3,151	280.0	29,355	1,975	414.0	16.3
88	118	368	148	Melville	9,886	346.7	4,085	5,319	498.8	114.8
■	459	220	■	Mercantile Bancorporation	776	66.6	8,089	732	83.8	4.4
■	448	306	■	Mercantile Bankshares	512	70.6	5,183	780	77.2	2.7
365	306	■	471	Mercantile Stores	2,442	114.0	1,673	1,474	184.6	23.5
■	■	284	■	Merchants National	537	5.8	5,806	687	18.5	3.5
110	4	191	5	Merck	8,603	2,121.7	9,499	56,865	2,385.5	37.3
■	468	■	■	Mercury General	529	65.5	764	407	69.7	1.2
■	337	154	■	Meridian Bancorp	1,173	100.6	11,337	1,126	145.1	5.5
500	■	■	■	Merisel	1,585	10.8	509	334	19.2	1.4
■	■	280	■	Meritor Savings Bank	550	-133.2	5,975	36	-109.7	1.6
57	48	17	126	Merrill Lynch	12,363	696.1	86,259	5,958	972.2	38.7
■	■	■	493	Metro Mobile CTS	244	-101.7	424	1,380	-60.1	1.1
■	■	334	■	Metropolitan Financial	496	57.4	4,668	215	67.0	2.0
333	■	■	■	Fred Meyer	2,703	45.2	973	632	93.4	23.0
■	■	165	■	Michigan National	1,097	50.1	10,650	695	110.2	5.7
384	64	■	20	Microsoft	2,276	581.4	2,128	22,783	674.2	6.9
423	■	95	■	Midlantic	1,987	-543.3	18,170	305	-482.8	10.0
■	454	■	■	Midwest Resources	1,025	68.4	2,403	1,088	174.2	3.1
■	494	■	■	Millipore	748	60.4	784	1,006	89.6	5.9
47	26	161	27	Minnesota Mining & Manufacturing	13,340	1,154.0	11,083	19,777	2,123.0	89.0
■	418	■	■	Minnesota Power & Light	484	75.5	1,642	883	123.6	2.5
397	■	99	■	MNC Financial	2,194	-70.2	17,438	677	-13.6	9.0
8	6	40	19	Mobil	56,042	1,920.0	42,187	23,301	4,509.0	67.4
■	484	■	440	Molex	740	63.3	773	1,592	125.0	6.8
102	138	201	82	Monsanto	8,864	296.0	9,217	8,529	1,042.0	40.2
■	324	■	■	Montana Power	939	105.7	2,085	1,240	177.7	3.7
80	28	10	53	JP Morgan & Co	10,314	1,114.0	103,468	11,182	1,114.0	13.1
136	90	22	184	Morgan Stanley Group	6,785	475.1	63,709	4,345	528.4	7.1
424	■	■	■	Morrison Knudsen	1,980	35.1	1,034	685	82.1	12.4
427	256	■	240	Morton International	1,967	143.4	2,007	3,061	242.0	10.0
71	92	198	62	Motorola	11,341	454.0	9,375	10,278	1,367.0	103.5
■	■	500	■	Multibank Financial	275	-15.2	2,632	101	-11.5	1.5
494	■	■	455	Murphy Oil	1,601	-11.2	2,175	1,534	138.5	4.0
■	■	■	483	Mylan Laboratories	107	36.9	214	1,430	40.3	0.6
■	263	■	313	Nalco Chemical	1,237	137.8	1,324	2,400	206.9	6.3
379	■	■	■	Nash Finch	2,343	19.1	430	196	45.2	11.0
344	171	72	288	National City	2,588	231.0	24,170	2,574	313.8	15.8
■	■	373	■	National Community Banks	354	12.4	4,021	211	21.3	1.9
■	326	■	322	National Health Laboratories	604	103.9	411	2,348	125.9	5.3
269	■	■	■	National Intergroup	3,344	12.7	1,202	278	24.1	4.0
233	142	366	314	National Medical Enterprises	3,973	292.3	4,095	2,392	502.9	46.9
473	■	■	■	National Semiconductor	1,671	-142.0	1,054	1,111	32.5	31.3
493	■	■	■	National Service Industries	1,603	26.3	1,018	1,240	77.4	21.4

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Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
65	197	9	56	NationsBank	11,594	201.9	110,319	10,955	562.9	57.5
255	■	430	■	Navistar International	3,520	-158.4	3,358	907	-87.4	13.8
332	141	61	221	NBD Bancorp	2,724	293.0	29,513	3,362	356.5	13.2
407	213	346	373	New England Electric System	2,094	179.8	4,450	1,933	457.9	5.6
■	222	324	383	New York State Electric & Gas	1,556	168.6	4,925	1,862	321.0	4.7
460	■	■	298	New York Times	1,703	47.0	2,128	2,521	163.8	10.3
■	311	■	257	Newell Co	1,119	112.2	1,040	2,920	151.7	10.2
■	358	■	285	Newmont Mining	623	94.3	818	2,605	188.3	2.7
264	159	219	290	Niagara Mohawk Power	3,383	243.4	8,241	2,569	540.9	11.8
■	319	■	■	Nicor	1,516	108.6	2,280	1,153	226.1	3.6
274	126	■	156	NIKE	3,277	317.1	1,828	5,045	359.8	5.0
■	254	400	456	Nipsco Industries	1,535	145.1	3,648	1,525	320.8	4.6
285	268	■	244	Nordstrom	3,180	135.8	2,042	3,008	231.8	30.0
212	■	176	84	Norfolk Southern	4,451	29.7	10,148	8,417	411.0	32.0
■	■	418	■	Northeast Bancorp	331	-17.2	3,471	91	-9.1	1.7
■	■	393	■	Northeast Federal	384	6.4	3,736	39	21.1	0.9
326	167	242	260	Northeast Utilities	2,754	236.7	6,782	2,847	529.2	8.1
394	176	330	300	Northern States Power	2,201	224.0	4,751	2,502	528.8	7.3
■	285	129	399	Northern Trust	1,260	127.4	13,193	1,751	161.9	5.8
169	146	446	■	Northrop	5,694	268.2	3,128	1,154	439.5	37.2
215	103	44	173	Norwest	4,420	398.5	38,502	4,653	547.6	24.0
■	209	■	78	Novell	710	184.2	797	8,724	210.1	2.6
■	474	■	355	Nucor	1,465	64.7	1,182	2,087	158.3	5.6
■	■	209	■	NWNL	1,340	46.9	8,770	377	55.4	3.0
48	58	65	43	Nynex	13,229	600.8	27,478	14,620	2,986.6	88.8
84	127	103	129	Occidental Petroleum	10,096	317.0	16,115	5,851	1,272.0	27.1
■	■	■	477	Office Depot	1,301	14.4	559	1,444	29.7	8.3
■	■	474	■	Ogden	1,568	43.7	2,846	957	111.4	44.0
457	322	412	■	Ohio Casualty	1,714	107.9	3,531	1,015	119.9	5.1
375	148	224	247	Ohio Edison	2,359	264.8	7,812	2,975	587.1	6.6
■	272	■	451	Oklahoma Gas & Electric	1,315	133.9	2,566	1,557	241.6	3.8
■	363	206	■	Old Kent Financial	862	93.0	8,826	1,082	106.5	4.6
■	277	395	■	Old Republic International	1,375	131.0	3,713	979	131.0	4.8
385	■	■	■	Olin	2,275	-13.0	2,012	951	107.0	14.8
■	■	■	342	Oracle Systems	1,085	33.6	759	2,196	105.2	7.1
■	■	349	470	Oryx Energy	1,484	19.0	4,405	1,474	614.0	2.6
319	■	■	484	Owens-Corning Fiberglas	2,783	-515.0	2,106	1,425	-363.0	16.4
254	■	350	450	Owens-Illinois	3,575	-130.1	4,399	1,562	86.2	35.0
380	■	489	371	Paccar	2,339	39.7	2,738	1,953	88.9	10.9
143	■	245	476	Pacific Enterprises	6,599	-88.0	6,701	1,451	305.0	41.8
91	31	77	49	Pacific Gas & Electric	9,778	1,026.4	22,901	12,736	2,198.3	26.5
87	32	82	38	Pacific Telesis Group	9,895	1,015.0	21,838	15,640	2,883.0	64.0
230	80	128	137	PacifiCorp	4,007	507.2	13,229	5,701	1,187.4	16.0
288	238	80	■	PaineWebber Group	3,166	150.7	22,622	1,051	184.0	12.8
■	396	■	325	Pall	669	81.2	802	2,319	113.8	6.4
362	380	270	428	Panhandle Eastern	2,454	85.1	6,177	1,609	309.0	5.6
226	250	236	146	Paramount Communications	4,069	147.9	6,964	5,404	1,268.4	12.4
376	■	■	406	Parker Hannifin	2,354	45.8	1,866	1,706	150.2	29.1

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Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
474	■	429	■	Penn Central	1,669	2.6	3,383	1,137	44.4	11.5
330	■	■	■	Penn Traffic	2,730	-4.3	1,222	280	59.3	22.6
36	149	134	89	JC Penney	16,201	264.0	12,520	7,830	631.0	189.4
349	117	221	202	Pennsylvania Power & Light	2,560	348.4	7,935	3,706	706.2	8.1
354	452	304	396	Pennzoil	2,527	70.0	5,231	1,771	311.8	16.6
■	■	279	■	People's Bank	617	-90.9	5,989	167	-74.1	2.4
■	447	■	■	Peoples Energy	1,117	70.6	1,642	895	126.3	3.4
27	30	91	15	PepsiCo	19,608	1,080.2	18,783	25,942	2,095.2	323.0
441	334	■	361	Pet	1,878	101.7	1,532	2,043	154.6	9.2
130	44	187	18	Pfizer	6,950	722.1	9,635	23,432	966.2	43.3
368	145	451	253	Phelps Dodge	2,434	272.9	3,051	2,947	411.8	14.0
419	■	353	■	PHH	1,997	47.7	4,358	572	649.0	4.6
232	73	133	147	Philadelphia Electric	3,976	534.7	12,558	5,391	1,034.4	10.1
9	3	30	1	Philip Morris Cos	48,064	3,927.0	47,384	70,944	5,424.0	167.0
55	345	151	118	Phillips Petroleum	12,604	98.0	11,473	6,202	1,409.0	22.6
■	■	403	■	PHM	1,214	42.6	3,635	713	52.3	1.9
■	■	256	457	Pinnacle West Capital	1,475	-186.9	6,483	1,523	81.3	7.8
■	320	■	364	Pioneer Hi-Bred International	1,131	108.4	1,289	2,024	164.3	4.7
271	139	260	145	Pitney Bowes	3,332	295.3	6,381	5,418	533.4	29.7
435	■	■	■	Pittston	1,929	-28.8	1,240	574	31.0	19.8
217	105	37	149	PNC Financial	4,377	389.8	44,892	5,296	459.5	17.8
411	49	■	475	Polaroid	2,071	683.7	1,889	1,455	769.2	11.9
■	■	■	429	Policy Management Systems	415	47.6	592	1,609	89.4	4.3
■	184	282	295	Potomac Electric Power	1,552	210.2	5,854	2,557	344.5	5.2
170	198	275	109	PPG Industries	5,673	201.4	6,056	6,534	574.2	33.7
316	331	■	474	Premark International	2,816	102.3	2,034	1,462	217.6	24.7
■	■	385	■	Premier Bancorp	376	14.5	3,852	197	32.0	2.7
■	433	■	372	Premier Industrial	632	73.1	375	1,948	80.6	4.7
132	264	■	315	Price Co	6,890	137.4	2,088	2,383	179.8	16.2
142	89	84	185	Primerica	6,608	478.8	21,561	4,277	599.2	24.4
18	7	74	10	Procter & Gamble	28,229	1,787.0	23,733	34,053	2,770.0	91.4
■	■	458	■	Progressive	1,493	32.9	2,979	1,006	61.3	6.6
314	303	115	■	Provident Life & Accident	2,846	117.1	14,787	1,029	151.1	6.1
449	243	417	466	Public Service Co of Colorado	1,795	149.7	3,473	1,495	268.6	6.6
■	■	499	■	Public Service Co of New Hampshire	540[a]	52.7[a]	2,637	741	144.9[a]	2.7
181	71	114	117	Public Service Enterprise Group	5,093	544.3	14,824	6,232	1,253.5	13.3
■	■	325	■	Puget Sound Bancorp	500	49.1	4,884	743	62.0	2.8
■	275	496	494	Puget Sound Power & Light	957	132.8	2,666	1,368	249.1	2.6
172	153	475	182	Quaker Oats	5,570	256.6	2,844	4,399	425.6	20.9
358	■	438	■	Quantum Chemical	2,486	-123.3	3,199	451	77.3	9.2
■	478	■	■	Questar	632	64.0	1,220	736	136.1	2.6
122	106	329	134	Ralston Purina	7,448	387.3	4,775	5,740	650.7	57.1
97	59	274	119	Raytheon	9,274	591.8	6,087	6,180	897.9	74.2
360	180	■	138	Reader's Digest Association	2,465	220.8	1,913	5,695	270.5	7.4
329	168	■	254	Reebok International	2,734	234.7	1,431	2,945	273.0	3.9
263	■	156	■	Reliance Group Holdings	3,392	-148.2	11,253	382	-148.2	9.3
353	175	56	349	Republic New York	2,535	227.4	31,221	2,127	241.5	4.6
165	234	247	214	Reynolds Metals	5,730	154.1	6,685	3,428	419.2	30.9

■ Not on 500 list. [a] Since May 16,1991.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
239	122	363	88	Rhône-Poulenc Rorer	3,824	326.5	4,143	7,877	516.1	23.0
■	■	294	■	Riggs National	581	–65.9	5,536	199	–51.6	2.3
245	301	■	390	Rite Aid	3,670	118.3	1,752	1,811	215.6	29.7
39	112	54	55	RJR Nabisco	14,989	368.0	32,131	11,059	1,596.0	55.5
286	286	■	258	Roadway Services	3,177	127.3	1,489	2,920	284.4	37.0
■	■	377	■	Rochester Community Savings Bank	419	–30.9	3,963	112	–21.0	1.9
■	431	■	■	Rochester Telephone	703	73.3	1,476	995	170.3	4.2
68	63	200	132	Rockwell International	11,550	582.3	9,236	5,782	1,173.1	94.5
324	225	467	215	Rohm & Haas	2,763	163.1	2,897	3,421	346.4	12.9
■	■	498	■	Rouse	573	2.4	2,637	711	68.2	5.6
476	227	■	150	Rubbermaid	1,667	162.7	1,245	5,266	225.3	9.8
■	■	■	469	Russell	805	56.8	818	1,476	113.4	14.5
183	■	311	391	Ryder System	5,061	14.0	5,080	1,807	617.4	40.3
■	■	410	■	Ryland Group	1,214	9.5	3,559	312	30.0	2.3
290	151	144	252	Safeco	3,148	259.6	11,907	2,958	295.1	8.5
■	■	■	495	Safety-Kleen	695	51.6	904	1,363	111.9	6.2
38	408	307	422	Safeway	15,119	79.0	5,181	1,633	367.0	112.3
■	386	■	341	St Jude Medical	210	84.0	375	2,214	91.2	0.6
■	■	399	■	St Paul Bancorp	344	27.2	3,663	196	31.2	0.9
218	100	130	242	St Paul Cos	4,352	405.1	12,982	3,046	459.1	12.0
279	119	36	124	Sallie Mae	3,257	345.1	45,320	6,017	345.1	2.9
98	81	13	230	Salomon	9,175	507.0	97,402	3,246	630.0	8.9
450	186	391	308	San Diego Gas & Electric	1,789	208.1	3,748	2,441	404.8	4.2
374	349	305	335	Santa Fe Pacific	2,360	96.4	5,221	2,257	304.8	15.8
54	45	185	50	Sara Lee	12,651	714.7	9,754	12,351	1,136.4	110.6
■	267	432	434	Scana	1,148	135.9	3,306	1,602	271.6	4.7
121	47	96	72	SCEcorp	7,502	702.6	18,119	9,230	1,632.7	17.2
247	54	374	52	Schering-Plough	3,616	645.6	4,013	11,427	774.6	20.0
■	■	316	486	Charles Schwab	795	49.5	5,026	1,412	101.4	3.4
188	■	255	234	Scott Paper	4,977	–69.9	6,493	3,125	283.1	29.9
■	475	■	387	EW Scripps	1,300	64.6	1,708	1,846	176.7	9.9
338	■	■	■	Seagate Technology	2,669	–11.1	1,742	995	156.8	40.7
7	22	11	36	Sears, Roebuck	57,242	1,278.9	102,801	16,245	2,048.3	460.0
100	■	18	154	Security Pacific	8,922	–774.5	76,411	5,060	–578.3	38.6
440	■	■	■	Sequa	1,879	–6.6	2,112	412	106.1	17.6
■	430	■	492	Service Corp International	643	73.4	2,123	1,380	108.4	10.3
261	415	■	■	Service Merchandise	3,400	76.1	1,573	1,016	142.1	22.4
■	■	431	■	SFFed Corp	327	14.7	3,317	89	19.0	0.8
488	■	■	420	Shaw Industries	1,619	56.0	817	1,642	97.2	15.3
378	■	79	■	Shawmut National	2,344	–170.6	22,816	1,155	–112.7	11.4
352	281	■	299	Sherwin-Williams	2,541	128.2	1,612	2,520	188.2	16.5
499	■	■	■	ShopKo Stores	1,586	49.2	841	524	88.5	19.4
■	403	■	352	Sigma-Aldrich	589	79.8	568	2,114	107.0	4.2
■	■	157	■	Signet Banking	1,305	–25.7	11,239	781	17.4	6.0
393	■	■	■	Smith's Food & Drug Centers	2,217	45.1	1,197	1,150	95.6	16.8
■	432	■	415	Snap-on Tools	882	73.2	915	1,658	98.8	7.2
491	226	109	381	Society	1,609	163.0	15,405	1,885	212.0	8.3
■	■	455	■	Society for Savings	403	–64.5	2,989	121	–58.9	1.3

■ Not on 500 list.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
■	462	437	■	Sonat	1,421	66.0	3,208	1,320	252.7	5.5
464	355	■	425	Sonoco Products	1,697	94.8	1,136	1,620	171.4	14.5
115	36	78	66	Southern Co	8,050	876.4	22,883	10,061	1,844.4	30.3
■	■	394	■	Southern National	363	30.8	3,730	303	39.0	2.1
483	288	411	380	Southern New England Telecommunications	1,633	125.9	3,539	1,902	379.5	11.7
■	372	175	■	SouthTrust	933	90.0	10,158	955	133.2	5.2
■	■	■	405	Southwest Airlines	1,314	26.9	1,837	1,712	113.1	9.2
■	■	420	■	Southwest Gas	795	–14.2	3,463	257	41.2	2.9
95	25	75	32	Southwestern Bell	9,332	1,156.5	23,179	17,640	2,921.5	64.0
■	317	■	■	Southwestern Public Service	731	109.0	1,644	1,263	166.8	2.2
426	■	■	■	Spiegel	1,976	16.9	1,725	754	55.6	12.2
439	■	■	■	Springs Industries	1,890	27.1	1,251	670	113.0	21.5
104	113	169	165	Sprint[a]	8,780	367.5	10,464	4,800	1,531.8	43.2
■	465	190	■	Standard Federal Bank	874	65.8	9,514	584	85.7	2.2
428	351	■	351	Stanley Works	1,962	95.1	1,548	2,118	170.0	17.6
■	464	250	■	Star Banc	659	65.8	6,646	854	85.5	3.7
■	260	111	331	State Street Boston	1,302	139.3	15,046	2,281	180.2	8.2
176	■	239	350	Stone Container	5,384	–49.1	6,903	2,123	224.4	32.1
186	■	■	■	Stop & Shop Companies	5,010	32.4	1,959	778	136.6	41.5
■	362	■	266	Storage Technology	1,585	93.1	1,700	2,791	204.9	10.2
■	463	■	489	Stride Rite	574	66.0	332	1,390	70.2	3.7
■	■	■	393	Stryker	365	33.1	270	1,799	44.9	2.2
■	■	302	■	Sumitomo Bank of California	517	42.9	5,281	209	50.6	1.7
■	■	390	■	Summit Bancorp	351	21.2	3,764	320	28.7	1.7
82	■	229	255	Sun Co	10,183	–387.0	7,143	2,944	88.0	19.0
256	199	■	250	Sun Microsystems	3,455	199.3	2,341	2,968	419.4	12.0
475	318	■	436	Sundstrand	1,669	108.8	1,720	1,600	189.8	12.9
268	111	48	161	SunTrust Banks	3,361	370.7	34,554	4,889	467.5	19.4
■	■	426	■	Sunwest Financial Service	320	12.4	3,406	296	21.3	2.4
444	■	■	■	Super Food Services	1,842	11.3	352	123	19.3	2.3
76	188	■	388	Super Valu Stores	10,744	207.3	2,581	1,843	325.4	24.3
■	■	■	480	Surgical Care Affiliates	170	20.7	188	1,435	27.7	0.7
111	230	■	187	Sysco	8,469	161.6	2,263	4,238	258.0	20.3
■	■	■	421	T2 Medical	166	39.1	223	1,633	45.4	0.5
■	406	■	286	Tambrands	661	79.0	390	2,589	94.5	3.9
433	■	■	496	Tandem Computers	1,933	–66.5	1,962	1,358	105.9	11.1
210	215	433	328	Tandy	4,515	176.2	3,291	2,307	277.8	40.0
■	■	372	■	TCF Financial	437	11.7	4,037	194	25.2	2.5
■	252	476	344	TECO Energy	1,154	145.3	2,834	2,170	278.0	4.6
242	■	136	123	Tele-Communications	3,792	–200.0	12,391	6,018	504.0	33.0
282	■	■	467	Teledyne	3,207	–25.4	1,719	1,489	58.7	31.3
357	261	179	241	Temple-Inland	2,507	138.4	10,068	3,061	300.0	14.1
44	■	92	163	Tenneco	13,662	–732.0	18,696	4,845	–182.0	90.5
12	20	66	42	Texaco	37,271	1,294.0	26,182	14,736	2,854.0	39.7
137	■	320	263	Texas Instruments	6,784	–409.0	5,009	2,813	181.0	66.6
189	■	90	86	Texas Utilities	4,893	–410.0	18,793	8,059	72.4	15.2
117	136	107	226	Textron	7,840	299.5	15,737	3,282	522.3	53.0
61	■	67	70	Time Warner	12,021	–99.0	24,900	9,580	1,010.0	42.1

■ Not on 500 list. [a] Formerly United Telecommunications.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
248	392	371	169	Times Mirror	3,614	82.0	4,052	4,739	334.1	28.4
481	■	■	■	Timken	1,647	-35.7	1,759	815	73.6	18.3
325	■	■	■	TJX Cos	2,758	20.1	1,105	1,335	76.9	29.5
434	157	271	256	Torchmark	1,932	246.5	6,161	2,936	272.1	6.2
425	419	■	■	Tosco	1,980	75.4	970	867	147.2	1.8
157	120	341	64	Toys 'R' Us	6,124	339.5	4,548	10,098	440.2	41.0
135	339	50	217	Transamerica	6,815	99.4	33,682	3,387	258.9	15.6
328	■	337	■	Transco Energy	2,739	-167.4	4,607	392	59.7	5.5
70	131	27	353	Travelers	11,377	307.0	52,709	2,097	381.5	33.0
413	257	481	246	Tribune	2,035	142.0	2,795	2,993	279.0	12.9
468	■	■	■	Trinova	1,681	-184.1	1,070	695	-122.1	18.6
■	■	383	■	Trustmark	348	27.6	3,878	295	39.7	2.0
116	■	290	262	TRW	7,913	-140.0	5,635	2,838	329.0	73.5
■	■	■	157	Turner Broadcasting System	1,480	42.9	2,255	5,042	204.7	3.8
336	■	■	■	Turner Corp	2,672	11.3	708	50	22.8	2.9
246	■	428	■	TW Holdings	3,618	-67.6	3,385	475	164.5	106.0
■	328	■	■	20th Century Industries	907	103.5	1,370	1,016	109.1	1.9
297	344	■	394	Tyco Laboratories	3,077	98.3	2,467	1,783	189.5	24.7
231	247	■	320	Tyson Foods	3,978	148.5	2,598	2,353	286.7	45.5
64	■	183	206	UAL	11,663	-331.9	9,876	3,587	271.8	78.1
■	■	126	■	UJB Financial	1,236	22.4	13,378	832	41.0	6.5
■	■	■	487	Unifi	1,012	47.7	509	1,405	47.7	5.3
484	361	98	■	Union Bank	1,633	93.5	17,474	712	116.5	7.3
304	291	332	198	Union Camp	2,967	124.8	4,698	3,729	344.0	20.7
190	■	240	233	Union Carbide	4,877	-9.0	6,826	3,196	278.0	17.2
406	124	287	219	Union Electric	2,097	321.5	5,733	3,383	621.2	6.9
128	480	127	67	Union Pacific	7,029	64.0	13,326	9,923	812.0	47.1
■	■	386	■	Union Planters	398	27.5	3,787	257	42.1	2.3
■	144	■	462	Union Texas Petroleum Holdings	977	279.9	2,247	1,500	405.4	1.4
107	■	216	438	Unisys	8,696	-1,393.3	8,432	1,597	-441.7	67.8
■	421	■	297	United HealthCare	824	74.8	574	2,533	89.2	3.1
■	■	333	■	United Missouri Bancshares	397	39.5	4,692	542	51.9	2.9
415	201	88	339	US Bancorp	2,014	196.4	18,875	2,234	238.8	10.9
477	237	■	220	US Healthcare	1,664	151.1	758	3,368	163.2	2.3
331	■	■	■	US Shoe	2,726	40.0	1,152	770	123.5	45.0
■	370	■	139	US Surgical	844	91.2	742	5,680	131.5	6.0
■	■	465	■	US Trust	405	31.4	2,917	394	42.6	2.0
22	■	105	108	United Technologies	20,840	-1,021.0	15,985	6,571	-257.0	188.9
■	265	355	401	Unitrin	1,255	137.2	4,272	1,735	137.2	8.0
310	449	■	■	Universal	2,907	70.2	1,318	916	96.0	25.0
93	434	184	160	Unocal	9,685	73.0	9,836	4,985	1,198.0	17.4
369	194	162	302	UNUM	2,421	205.0	10,668	2,487	205.0	5.4
258	72	362	103	Upjohn	3,426	537.4	4,147	6,871	672.6	18.8
78	68	64	44	US West	10,577	553.4	27,854	13,897	2,429.5	65.6
146	■	257	■	USAir Group	6,514	-305.3	6,454	835	-10.0	51.0
223	■	118	■	USF&G	4,134	-176.1	14,456	748	-137.2	10.8
458	■	■	■	USG	1,712	-161.0	1,626	84	-93.0	11.8
■	■	462	■	Uslico	393	11.2	2,942	192	11.2	0.8

■ Not on 500 list.

Where they rank: 1991 Sales	Net profits	Assets	Market value	Company	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Employees (thou)
■	420	301	■	USLife	1,383	74.9	5,329	680	86.8	2.1
■	147	■	127	UST Inc	879	265.9	657	5,927	288.5	3.6
58	■	147	144	USX-Marathon	12,313	–71.0	11,644	5,455	804.0	24.8
191	■	291	■	USX-US Steel	4,864	–507.0	5,627	1,339	–254.0	22.2
■	428	■	■	UtiliCorp United	1,075	73.5	2,402	922	191.7	3.7
■	343	■	■	Valero Energy	1,012	98.7	1,481	1,209	153.4	1.9
■	■	376	■	Valley Bancorp	380	30.7	3,976	389	43.1	2.4
■	■	164	■	Valley National	1,132	34.6	10,652	742	62.6	7.3
287	■	441	■	Varity	3,169	–178.0	3,180	325	–49.1	18.7
306	231	■	281	VF	2,952	161.3	2,127	2,641	252.3	44.8
459	■	359	188	Viacom	1,712	–46.6	4,188	4,193	89.7	5.0
178	472	■	■	Vons Cos	5,350	65.0	1,803	1,168	152.9	33.4
■	■	■	464	Vulcan Materials	1,007	52.6	1,073	1,495	162.3	6.4
318	■	■	■	Waban	2,784	30.0	786	818	52.1	14.0
292	173	51	153	Wachovia[7]	3,138	229.5	33,158	5,127	339.3	17.6
10	9	108	4	Wal-Mart Stores	43,887	1,608.5	15,443	61,186	2,083.8	349.5
131	200	■	181	Walgreen	6,901	198.3	2,199	4,415	286.5	49.8
432	■	■	■	Wang Laboratories	1,940	–380.0	1,312	1,040	–174.0	18.3
184	259	405	77	Warner-Lambert	5,059	140.8	3,602	8,732	276.3	34.0
■	426	464	■	Washington Federal Savings & Loan	283	73.8	2,935	843	77.4	0.4
■	457	231	■	Washington Mutual Savings Bank	739	67.5	7,118	598	73.0	2.2
■	300	■	264	Washington Post	1,380	118.7	1,488	2,810	221.6	6.0
■	440	■	■	Washington Water Power	567	72.2	1,522	794	130.0	2.0
120	56	132	26	Waste Management	7,551	606.3	12,572	20,547	1,199.1	62.5
■	399	■	■	Weis Markets	1,294	80.6	735	1,177	105.7	15.0
163	■	25	207	Wells Fargo	5,861	21.0	53,547	3,577	267.0	21.4
■	■	299	■	West One Bancorp	520	41.2	5,417	544	57.7	3.4
52	■	86	104	Westinghouse Electric	12,794	–1,086.0	20,159	6,672	–708.0	113.7
387	249	421	311	Westvaco	2,268	147.9	3,459	2,410	327.6	14.7
168	■	■	■	Wetterau	5,718	49.5	1,271	483	99.6	15.6
106	■	100	94	Weyerhaeuser	8,702	–100.9	16,928	7,425	400.4	39.6
139	220	258	232	Whirlpool	6,770	170.0	6,445	3,230	403.0	37.0
370	401	■	433	Whitman	2,393	80.4	2,123	1,603	167.0	14.9
■	■	472	■	Whitney Holding	251	–4.7	2,858	164	3.3	1.5
418	■	■	354	Willamette Industries	2,005	45.8	2,219	2,089	197.1	10.8
405	314	356	463	Williams Cos	2,105	110.0	4,247	1,498	282.4	6.4
■	443	370	■	Wilmington Trust	429	71.9	4,061	930	78.5	2.0
81	214	■	225	Winn-Dixie Stores	10,203	177.9	1,847	3,288	301.1	103.5
■	205	415	306	Wisconsin Energy	1,539	189.3	3,496	2,467	358.1	5.7
485	429	■	■	Witco	1,631	73.5	1,198	1,062	141.1	7.1
86	■	336	189	Woolworth	9,914	–53.0	4,618	4,074	208.0	143.0
■	■	■	485	Worthington Industries	891	46.3	591	1,419	71.3	5.8
■	473	■	■	WPL Holdings	649	64.9	1,376	827	126.3	3.1
■	279	■	270	Wm Wrigley Jr	1,149	128.7	625	2,722	157.3	6.1
33	92	55	99	Xerox	17,830	454.0	31,658	7,187	1,149.0	109.5
377	■	■	■	Yellow Freight System	2,344	26.7	1,098	853	151.3	28.7
480	■	■	■	York International	1,653	13.0	1,206	930	62.1	10.3
■	■	401	■	Zions Bancorporation	344	29.1	3,646	294	38.3	2.2

■ Not on 500 list. [7] Formerly First Wachovia.

As earnings tumbled, stock prices surged last year, lifting the average value of the 790 stocks in the Forbes 500s by 28%. Thus P/Es climbed.

Winners

Company	Stock price % change 12-month	YTD	recent
Merisel	354%	49%	13⅜
Intl Game Technology	330	23	28⅛
IVAX	232	–12	34
Cisco Systems	225	28	20¾
Goodyear	204	26	67¼

Losers

Company	Stock price % change 12-month	YTD	recent
HomeFed	–75%	400%	1¼
First City Bncp Texas	–63	275	1¾
Columbia Gas System	–59	7	18⅜
Transco Energy	–59	–34	12⅝
CalFed	–55	44	3¼

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Abbott Laboratories/Dec	ABT	n	70	20	70	47	60⅝	28%	111	–12%	88	23.7	20.4
Advanced Micro/Dec	AMD	n	25	4	22	8	18¾	67	144	7	107	12.3	7.8
AES/Dec	AESC	o	NA	NA	37*	20*	36¼	NA	NA	6	106	35.5	30.5
Aetna Life & Cas/Dec	AET	n	68	29	49	32	43¾	–2	85	–1	99	9.5	7.9
Affiliated Bkshs Colo/Dec	AFBK	o	35	8	35	13	32⅜	127	197	3	103	20.4	15.6
Aflac/Dec	AFL	n	33	10	33	20	27⅞	26	109	–7	93	15.3	13.1
HF Ahmanson/Dec	AHM	n	26	11	21	13	16½	–3	84	–5	95	8.0	7.4
Air Prods & Chems/Sep	APD	n	45	15	45	31	44¾	45	126	21	121	19.9	18.9
Albertson's/Jan	ABS	n	51	10	51	33	43⅞	5	91	12	112	22.6	20.1
Alco Standard/Sep	ASN	n	40	15	40	29	38⅛	17	101	11	111	24.3	16.1
Alexander & Alexander/Dec	AAL	n	34	16	28	18	21⅝	–15	73	5	105	NM	19.5
Alexander & Baldwin/Dec	ALEX	o	40	16	31	22	29¼	16	100	4	104	14.6	13.2
Alleghany/Dec	Y	n	123	56	123	91	121¾	33	116	12	112	12.4	14.4
Allegheny Power/Dec	AYP	n	47	31	47	37	41⅞	10	95	–6	94	11.6	11.2
Allergan/Dec	AGN	n	27*	12*	27	18	22⅞	2	88	–7	93	NM	15.1
Allied-Signal/Dec	ALD	n	53	25	53	27	52⅜	84	159	19	119	NM	14.2
Alltel/Dec	AT	n	43	15	43	35	39	1	88	0	100	16.7	15.1
Alcoa/Dec	AA	n	80	34	74	54	70⅜	7	93	9	109	NM	21.9
ALZA/Dec	AZA	a	55	8	55	28	45	47	127	–8	92	NM	51.7
AMAX/Dec	AMX	n	30	13	26	16	19⅜	–24	66	–3	97	57.0	62.5
Amdahl/Dec	AMH	a	28	10	21	12	17½	21	105	11	111	NM	14.2
Amerada Hess/Dec	AHC	n	59	22	59	37	37⅞	–21	68	–20	80	36.4	20.8

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

IN THE 52 WEEKS ended Mar. 20, stock prices of the 790 companies that are ranked in one or more of the Forbes 500s categories (sales, profits, assets and market value) climbed an average 28%. That's calculated by treating each company equally in the average. In comparison, the Wilshire index of 5,000 companies was up a bit more than twice that percentage. This marked a big change in the markets, which in recent years have tended to favor big stocks over small; 1991 was the year when the smaller stocks did better than the 500s' stocks.

Further underlining this fundamental shift from big stocks to small, a third yardstick, the capitalization-weighted Wilshire index—in which big Philip Morris counts 900 times as much as tiny LaserMaster Technologies—rose only 15% for the 52-week period.

Among the big companies that make up the Forbes 500s, banks did well in the past year. Seventeen banks rank among the 50 stocks with the best gains. Besides banks, cyclical industries, such as basic materials and consumer cyclicals, ended the 12-month period with healthy gains.

Among the top-performing companies is Merisel, up 354%. This rapidly growing distributor of microcomputer products signed a lucrative agreement last year with Compaq Computer. International Game Technology, the leading maker of casino gambling machines, rose 330%. Goodyear tripled in price, while Charles Schwab and Fruit of the Loom nearly tripled.

This year is unlikely to be as strong for stocks as 1991 was. Much of 1991's 52-week rise took place in a rousing year-end rally, but after that the market stalled in the first quarter of 1992, as investors became concerned about the vigor of the economic recovery.

To understand the following table, here are a few points to keep in mind: We designate as fiscal 1991 the results of any company whose fiscal year ends between June 1991 and May 1992. Where 1991 earnings were not yet available, we used an earnings estimate, marked E. In calculating earnings we include results of discontinued operations but exclude extraordinary items and the cumulative effect of accounting changes.

Five-year and 12-month price ranges are adjusted for stock splits that have occurred or will take place by this issue's cover date (Apr. 27). We do not restate price ranges to reflect spinoffs or special cash dividends. However, the value of such distributions is included in the 12-month and year-to-date stock performance figures.

The "relative to market" figure shows a stock's performance vis-à-vis the capitalization-weighted Wilshire index. For example, a stock with a 15% gain during the last 12 months matched the Wilshire index and thus has a relative performance of 100. A stock that rose more than 15% would have a relative performance of over 100. For any stock with a recent price of $1 or less, we marked the performance figures as not meaningful.

All estimates are securities analysts' consensus forecasts, compiled by the Institutional Brokers Estimate System. The "confidence factor on estimates" indicates how closely analysts agree on forecasts. For example, Chrysler, which has a 1992 estimate of 1 cent per share loss, has a "very low" confidence factor. The 23 analysts who supplied forecasts on the automaker are in wide disagreement about its immediate earnings prospects. —EVELYN FEIT

	Earnings						Dividends			
net profit margin	latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout	5-year growth rate
15.8%	$2.55	$2.55	$2.96	16%	33	very high	$1.20	2.0%	47%	19%
11.8	1.53	1.53	2.40	57	22	low	none	NA	NA	NA
12.8	1.02	1.02	1.19	17	3	very high	0.40	1.1	39	NA
2.6	4.59	4.59	5.56	21	25	average	2.76	6.3	60	1
6.8	1.59	1.59	2.07	30	5	very high	0.40	1.2	25	0
4.5	1.82	1.82	2.13	17	13	high	0.40	1.4	22	16
5.4	2.06	2.06	2.22	8	16	high	0.88	5.3	43	0
8.5	2.25	2.23	2.37	6	24	very high	0.80	1.8	36	15
3.0	1.94	1.94	2.18	12	22	high	0.64	1.5	33	25
1.5	1.57	2.61	2.37	–9	11	high	0.92	2.4	59	9
def	–0.25	–0.25	1.11	D-P	15	low	1.00	4.6	NM	0
12.8	2.00	2.00	2.22	11	4	high	0.88	3.0	44	5
4.5	9.81	9.81	8.48	–14	1	NM	none	NA	NA	NA
8.5	3.61	3.61	3.73	3	20	very high	3.20	7.6	89	2
def	–0.89	–0.89	1.52	D-P	14	high	0.36	1.6	NM	0
def	–2.00	–2.00	3.70	D-P	20	high	1.00	1.9	NM	–2
10.8	2.34	2.34	2.58	10	18	average	1.48	3.8	63	11
0.6	0.71	0.71	3.22	354	32	very low	1.60	2.3	NM	11
def	–0.88	–0.88	0.87	D-P	11	average	none	NA	NA	NA
0.8	0.34	0.34	0.31	–9	23	very low	0.80	4.1	NM	79
0.3	0.04	0.04	1.23	NM	24	low	0.10	0.6	NM	0
1.3	1.04	1.04	1.82	75	28	very low	0.60	1.6	58	2

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
American Brands/Dec	AMB	n	48	18	47	38	43¾	–5%	82	–3%	97	11.2	10.1
American Cyanamid/Dec	ACY	n	69	29	69	52	63⅜	18	102	–2	98	16.5	14.1
American Electric/Dec	AEP	n	34	23	34	28	31⅛	10	95	–9	91	11.5	10.7
American Express/Dec	AXP	n	40	18	30	18	22¼	–20	69	9	109	14.0	9.8
American General/Dec	AGC	n	51	24	46	36	43⅜	15	99	–3	97	10.2	9.5
American Greetings/Feb	AGREA	o	44	13	44	31	41	7	93	–1	99	14.9	13.1
American Home Prods/Dec	AHP	n	86	31	86	56	76	35	117	–10	90	17.4	15.7
American Intl Group/Dec	AIG	n	102	39	102	79	90	–1	86	–9	91	12.4	11.7
American Medical/Aug	AMI	a	27	3	13	5	9¾	73	150	0	100	NM	NA
American Natl Ins/Dec	ANAT	o	45	23	45	32	37¼	12	97	–10	90	7.8	8.8
American President/Dec	APS	n	51	10	44	20	30¾	52	132	–25	75	8.4	10.7
American Savings/Dec	ASB	n	22	¼	2	¼	¼	–85	NM	33	NM	NM	NA
American Stores/Jan	ASC	n	46	21	46	26	33⅜	–21	68	–1	98	9.6	10.4
American Tel & Tel/Dec	T	n	47	23	41	33	40⅜	24	107	4	104	NM	13.8
American Water Works/Dec	AWK	n	29	13	29	19	22¼	18	102	–16	84	9.8	9.3
Ameritech/Dec	AIT	n	70	37	69	56	58⅜	–13	75	–8	92	13.3	12.1
Ames Dept Stores/Jan	ADD	n	30	¼	3	¼	⅜	–84	NM	–46	NM	NM	NA
Amgen/Dec	AMGN	o	78	3	78	36	62⅝	57	136	–17	83	NM	34.4
Amoco/Dec	AN	n	60	29	55	44	44⅜	–18	71	–10	90	18.8	14.7
AMP/Dec	AMP	n	72	34	69	47	60¼	16	101	3	103	24.6	21.1
AMR/Dec	AMR	n	107	27	80	55	78⅛	41	123	12	112	NM	21.6
AmSouth Bancorp/Dec	ASO	n	26	12	26	16	25⅝	56	136	19	119	11.8	10.7
Anchor Bancorp/June	ABKR	o	13*	⅝*	5	2	4⅞	179	241	22	122	2.4	NA
Anheuser-Busch Cos/Dec	BUD	n	62	26	62	47	57¾	14	99	–6	94	17.7	15.7
Aon/Dec	AOC	n	45	21	45	35	42¾	20	104	8	108	11.5	10.6
Apple Computer/Sep	AAPL	o	73	24	73	40	63¼	0	87	12	112	23.8	14.3
Archer Daniels/June	ADM	n	33	10	33	20	27¾	37	119	–16	84	17.3	16.0
Argonaut Group/Dec	AGII	o	33	8	33	22	26¼	–3	84	11	110	8.3	8.3
Arkla/Dec	ALG	n	28	9	19	9	9⅛	–52	42	–27	73	NM	13.4
Armco/Dec	AS	n	15	4	7	4	5⅞	18	102	9	109	NM	NM
Armstrong World Inds/Dec	ACK	n	51	18	35	24	32¼	19	103	10	110	41.9	18.4
Arvin Industries/Dec	ARV	n	40	13	27	17	25⅝	11	97	18	118	31.6	16.6
Asarco/Dec	AR	n	36	15	29	18	27½	–4	83	29	129	24.6	23.1
Ashland Oil/Sep	ASH	n	43	23	35	26	32¼	2	88	8	108	9.9	10.3
AST Research/June	ASTA	o	33	3	33	15	19	–27	63	13	113	8.5	8.5
Atlantic Energy/Dec	ATE	n	42	29	42	34	40⅞	16	100	0	100	11.7	11.5
Atlantic Richfield/Dec	ARC	n	142	59	134	99	99¾	–25	65	–7	93	22.7	14.7
Automatic Data/June	AUD	n	49	14	49	30	46	51	131	1	101	26.6	25.1
AutoZone/Aug	AZO	n	NA	NA	42*	13*	38	NA	NA	13	113	52.8	44.2
Avery Dennison/Dec	AVY	n	33	15	28	20	26½	12	97	4	104	26.0	18.8
Avnet/June	AVT	n	39	19	30	23	25¼	–12	76	–7	93	17.5	16.1
Avon Products†/Dec	AVP	n	51	18	51	37	45½	17	101	–1	99	25.6	13.4
Baker Hughes/Sep	BHI	n	35*	11*	30	17	17⅛	–36	55	–11	89	14.5	14.8
Ball Corp/Dec	BLL	n	49	25	40	26	37½	40	121	–1	99	15.5	13.8
Bally Manufacturing/Dec	BLY	n	30	2	8	3	6¾	42	123	29	129	NM	67.5
Baltimore Bancorp/Dec	BBB	n	24	4	11	4	6½	–5	82	24	124	NM	NM
Baltimore G&E/Dec	BGE	n	35	22	35	28	30¼	5	91	–12	88	13.3	11.4
Banc One/Dec	ONE	n	50	13	50	30	46⅝	53	133	–3	97	16.0	14.2

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. D-Z: Deficit to zero. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
9.6%	$3.91	$3.91	$4.34	11%	21	high	$1.75	4.0%	45%	13%
7.2	3.85	3.85	4.51	17	22	high	1.50	2.4	39	9
9.9	2.70	2.70	2.90	7	25	high	2.40	7.7	89	1
3.1	1.59	1.59	2.27	43	22	average	1.00	4.5	63	9
10.9	4.25	4.25	4.59	8	22	very high	2.08	4.8	49	20
6.1	2.76	2.81E	3.13	11	10	very high	0.78	1.9	28	3
19.4	4.36	4.36	4.85	11	39	high	2.60	3.4	60	9
9.2	7.28	7.28	7.70	6	29	high	0.50	0.6	7	22
0.1	0.05	–0.38	NA	NA	NA	NA	none	NA	NA	NA
10.5	4.76	4.76	4.25	–11	3	average	1.88	5.0	39	6
2.6	3.65	3.65	2.88	–21	8	low	0.60	2.0	16	8
def	–27.35	–27.35	NA	NA	NA	NA	none	NA	NA	NA
1.2	3.47	3.47	3.20	–8	16	high	0.70	2.1	20	9
0.8	0.40	0.40	2.94	NM	30	high	1.32	3.2	NM	5
11.6	2.27	2.27	2.40	6	2	NM	0.93	4.2	41	8
10.8	4.39	4.39	4.84	10	30	very high	3.52	6.0	80	11
def	–8.80	NA	NA	NA	NA	NA	none	NA	NA	NA
14.3	0.67	0.67	1.82	172	24	low	none	NA	NA	NA
4.6	2.36	2.36	3.03	28	35	low	2.20	5.0	93	7
8.4	2.45	2.45	2.86	17	24	average	1.52	2.5	62	14
def	–3.54	–3.54	3.66	D-P	21	very low	none	NA	NA	NA
8.9	2.17	2.17	2.39	10	13	average	1.04	4.1	48	6
6.1	2.68	1.53	NA	NA	NA	NA	none	NA	NA	NA
8.5	3.26	3.26	3.67	13	23	very high	1.12	1.9	34	18
8.3	3.71	3.71	4.02	8	22	high	1.68	3.9	45	10
5.0	2.66	2.58	4.44	72	42	average	0.48	0.8	18	17
5.7	1.60	1.49	1.74	17	18	high	0.10	0.4	6	21
16.3	3.16	3.16	3.17	0	3	average	0.68	2.6	22	0
0.5	0.05	0.05	0.68	NM	16	low	1.08	11.8	NM	0
def	–3.89	–3.89	–0.30	D-D	10	very low	none	NA	NA	NA
2.0	0.77	0.77	1.75	127	14	low	1.20	3.7	156	8
1.4	0.81	0.81	1.54	90	7	average	0.68	2.7	84	0
2.4	1.12	1.12	1.19	6	15	very low	0.80	2.9	71	69
2.0	3.25	2.56	3.13	22	21	average	1.00	3.1	31	2
8.5	2.24	2.13	2.23	5	30	average	none	NA	NA	NA
11.0	3.49	3.49	3.55	2	12	high	3.00	7.3	86	3
4.2	4.39	4.39	6.77	54	36	low	5.50	5.5	125	9
13.2	1.73	1.63	1.83	12	20	very high	0.40	0.9	23	16
5.7	0.72	0.66	0.86	30	5	very high	none	NA	NA	NA
2.5	1.02	1.02	1.41	38	12	average	0.80	3.0	78	20
3.0	1.44	1.72	1.57	–9	17	average	0.60	2.4	42	6
3.8	1.78	1.78	3.40	91	13	very high	1.40	3.1	79	–9
5.9	1.18	1.26	1.16	–8	30	low	0.46	2.7	39	0
2.9	2.42	2.42	2.71	12	8	average	1.20	3.2	50	6
def	–1.10	–1.10	0.10	D-P	2	NM	none	NA	NA	NA
def	–9.94	–9.94	0.00	D-Z	1	NM	none	NA	NA	NA
9.5	2.28	2.28	2.66	17	22	average	2.10	6.9	92	3
12.9	2.91	2.91	3.28	13	37	average	1.16	2.5	40	11

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Bancorp Hawaii/Dec	BOH	n	52	17	52	35	48¾	35%	117	8%	108	12.1	11.0
Bandag/Dec	BDG	n	135	42	135	89	126	40	122	5	105	22.0	20.2
Bank of Boston/Dec	BKB	n	38	3	21	7	19	187	248	65	165	NM	17.9
Bank of New York/Dec	BK	n	55	13	41	25	38¾	48	128	26	125	30.3	10.6
Bank South/Dec	BKSO	o	18	5	10	5	9	29	111	60	160	NM	64.3
BankAmerica/Dec	BAC	n	45	5	45	31	45¼	34	116	26	126	9.4	9.8
Bankers Trust NY/Dec	BT	n	68	26	68	40	57¼	37	118	–10	90	7.4	7.5
BanPonce/Dec	BPOP	o	26	12	26	17	24	41	122	25	125	11.2	NA
CR Bard/Dec	BCR	n	34	13	34	22	29⅛	23	107	–5	95	27.0	21.4
Barnett Banks/Dec	BBI	n	42	14	38	21	32⅛	49	129	–4	96	18.8	13.0
Bausch & Lomb/Dec	BOL	n	61	15	61	39	48⅛	21	105	–17	83	33.9	16.5
Baxter International/Dec	BAX	n	41	16	41	32	37	14	99	–8	92	18.2	15.7
Bay View Capital/Dec	BVFS	o	27	11	24	16	18	–4	83	–14	86	12.8	6.7
BayBanks/Dec	BBNK	o	49	9	32	13	28¾	74	151	50	150	47.9	25.7
BB&T Financial/Dec	BBTF	o	26	13	26	18	25¾	40	121	17	117	10.0	9.8
Bear Stearns Cos/June	BSC	n	21	6	21	13	18⅞	45	126	11	111	8.6	8.0
Becton Dickinson/Sep	BDX	n	82	42	82	56	71	–5	82	4	104	15.2	13.7
Bell Atlantic/Dec	BEL	n	57	30	53	42	42¼	–16	73	–12	88	12.4	12.0
BellSouth/Dec	BLS	n	59	29	54	44	44½	–16	73	–14	86	14.3	13.4
Beneficial Corp/Dec	BNL	n	67	29	67	52	63¾	23	106	–2	98	11.0	9.8
Bergen Brunswig/Aug	BBC	a	26	7	26	16	19¼	–23	67	4	104	14.0	14.3
Berkshire Hathaway/Dec	BRK	n	9125	2525	9125	7760	8925	13	99	–1	99	23.2	28.3
Bethlehem Steel/Dec	BS	n	29	7	19	11	15⅜	9	94	10	110	NM	NM
Betz Laboratories/Dec	BETZ	o	66	18	66	48	56⅜	13	98	–5	95	22.9	20.8
Beverly Enterprises/Dec	BEV	n	19	4	12	7	8⅞	–21	68	0	100	24.0	16.2
BHC Commun/Dec	BHC	a	59*	40*	59	52	56⅜	–1	86	2	102	14.6	15.5
Bindley Western Inds/Dec	BIND	o	21	6	21	14	16¼	9	95	–5	95	10.1	11.1
Biomet/May	BMET	o	32	2	32	13	22	57	136	–28	72	51.2	37.9
Black & Decker/Dec	BDK	n	27	8	27	12	25⅝	90	164	51	151	31.6	19.6
H&R Block/Apr	HRB	n	41	10	41	25	33⅞	34	116	–10	90	23.9	19.6
Blockbuster/Dec	BV	n	15	⅞	15	8	14⅜	19	103	20	120	25.7	19.4
BMC Software/Mar	BMCS	o	79*	5*	79	33	63¼	58	137	–4	96	38.8	26.7
Boatmen's Bancshs/Dec	BOAT	o	49	25	49	37	43½	14	99	–6	94	10.7	9.9
Boeing/Dec	BA	n	62	15	55	41	44⅝	–7	81	–7	93	9.8	9.0
Boise Cascade/Dec	BCC	n	52	18	29	18	23¼	–7	81	4	104	NM	NM
Borden/Dec	BN	n	39	15	39	29	32½	–6	82	0	100	16.3	12.9
Borland Intl/Mar	BORL	o	87*	10*	87	40	68½	41	122	–17	83	NM	21.9
Boston Edison/Dec	BSE	n	27	13	25	19	23	15	100	–7	93	11.7	11.3
Bowater/Dec	BOW	n	45	16	30	19	25⅞	8	93	18	118	22.5	NM
Bristol-Myers Squibb/Dec	BMY	n	90	28	90	74	80⅛	5	91	–9	91	20.3	17.2
Broad†/Sep	BRO	n	21	3	21	9	17½	84	160	–11	89	12.5	7.4
Brooklyn Union Gas/Sep	BU	n	32	19	31	27	28¾	4	90	–5	95	12.8	12.0
Brown-Forman/Apr	BFB	n	92	27	90	69	74	–5	83	–10	90	14.5	12.2
Brown Group/Jan	BG	n	44	20	29	22	26¾	–1	85	5	105	29.1	12.4
Browning-Ferris Inds/Sep	BFI	n	49	17	31	17	23	–11	77	6	106	NM	18.7
Bruno's/June	BRNO	o	22	8	22	12	15⅝	–14	74	14	114	20.0	19.3
Brunswick/Dec	BC	n	30	6	17	10	15⅝	14	98	13	113	NM	18.4
Burlington Northern†/Dec	BNI	n	84	21	45	28	41⅞	45	126	3	103	NM	12.4

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
11.0%	$4.04	$4.04	$4.43	10%	11	high	$1.20	2.5%	30%	17%
13.7	5.72	5.72	6.25	9	14	high	1.20	1.0	21	11
def	–0.64	–0.64	1.06	D-P	18	low	none	NA	NA	NA
2.9	1.28	1.28	3.67	187	21	average	1.52	3.9	119	1
def	–1.59	–1.59	0.14	D-P	4	very low	none	NA	NA	NA
9.2	4.81	4.81	4.61	–4	31	average	1.30	2.9	27	78
9.7	7.75	7.75	7.64	–1	29	average	2.80	4.9	36	14
7.0	2.15	2.15	NA	NA	NA	NA	0.80	3.3	37	7
6.5	1.08	1.08	1.36	26	27	average	0.48	1.6	44	21
3.8	1.71	1.71	2.48	45	32	low	1.32	4.1	77	11
5.7	1.42	1.42	2.91	105	17	high	0.80	1.7	56	14
6.6	2.03	2.03	2.36	16	29	very high	0.86	2.3	42	14
3.4	1.41	1.41	2.68	90	8	average	0.60	3.3	43	39
0.9	0.60	0.60	1.12	87	3	very low	none	NA	NA	NA
10.1	2.57	2.57	2.62	2	12	very high	0.88	3.4	34	7
9.2	2.19	1.30	2.37	82	7	average	0.60	3.2	27	16
8.3	4.66	4.86	5.17	6	23	high	1.20	1.7	26	11
10.8	3.41	3.41	3.52	3	29	average	2.52	6.0	74	7
10.4	3.11	3.11	3.31	6	33	average	2.76	6.2	89	6
8.2	5.80	5.80	6.53	13	13	high	2.60	4.1	45	7
1.2	1.38	1.50	1.35	–10	11	average	0.40	2.1	29	26
14.2	384.00	384.00	315.00	–18	1	NM	none	NA	NA	NA
def	–10.41	–10.41	–0.39	D-D	16	very low	none	NA	NA	NA
11.3	2.47	2.47	2.72	10	24	high	1.24	2.2	50	10
1.3	0.37	0.37	0.55	49	17	average	none	NA	NA	NA
41.2	3.89	3.89	3.65	–6	1	NM	none	NA	NA	NA
0.5	1.61	1.61	1.47	–9	5	average	0.06	0.4	4	0
18.6	0.43	0.46E	0.58	26	13	average	none	NA	NA	NA
1.1	0.81	0.81	1.31	62	19	average	0.40	1.6	49	0
11.3	1.42	1.52E	1.73	14	12	very high	0.88	2.6	62	20
10.8	0.56	0.56	0.74	32	10	average	none	NA	NA	NA
24.1	1.63	1.84E	2.37	29	14	high	none	NA	NA	NA
9.5	4.07	4.07	4.38	8	11	very high	2.16	5.0	53	3
5.3	4.56	4.56	4.97	9	31	high	1.00	2.2	22	14
def	–2.46	–2.46	–2.19	D-D	24	very low	0.60	2.6	NM	6
4.1	2.00	2.00	2.53	27	22	high	1.14	3.5	57	16
def	–3.30	0.92E	3.13	240	20	low	none	NA	NA	NA
7.2	1.96	1.96	2.04	4	19	high	1.64	7.1	84	–5
3.5	1.15	1.15	0.29	–75	17	very low	1.20	4.6	104	9
18.4	3.95	3.95	4.66	18	44	very high	2.76	3.4	70	16
5.8	1.40	1.32	2.38	80	5	high	0.20	1.1	14	–11
6.5	2.25	2.18	2.39	10	10	high	1.54	6.7	86	6
11.8	5.12	5.44E	6.09	12	5	average	2.44	3.3	48	19
0.9	0.92	0.92	2.15	134	5	low	1.60	6.0	174	1
1.4	0.28	0.42	1.23	193	34	average	0.68	3.0	NM	13
2.4	0.78	0.82	0.81	–1	14	average	0.20	1.3	26	30
def	–0.27	–0.27	0.85	D-P	11	low	0.44	2.8	NM	8
def	–3.96	–3.96	3.37	D-P	16	average	1.20	2.9	NM	–16

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Burlington Resources/Dec	BR	n	54*	23*	44	33	35⅝	-5%	82	1%	101	23.1	21.9
Cabletron Systems/Feb	CS	n	66*	7*	66	30	56	49	129	4	104	26.9	21.6
Cabot/Sep	CBT	n	49	23	43	28	42½	20	104	27	127	7.5	15.2
Caesars World/July	CAW	n	43	10	40	18	38¼	107	179	14	114	11.8	12.8
Caldor/Jan	CLD	n	25	13	25*	13*	16⅜	NA	NA	-9	91	38.1	7.9
CalFed/Dec	CAL	n	39	1	9	1	3¼	-55	39	44	144	NM	21.7
Campbell Soup/July	CPB	n	44	11	44	36	36½	-10	78	-14	86	20.4	19.0
Capital Cities/ABC/Dec	CCB	n	633	297	495	358	437	-7	81	1	101	19.6	16.4
Capital Holding/Dec	CPH	n	64	24	64	42	58	23	107	-9	91	10.9	9.2
Carnival Cruise Lines/Nov	CCL	n	34*	8*	34	19	32½	68	145	24	124	52.4	16.2
Carolina Power & Lt/Dec	CPL	n	54	30	54	44	52¾	12	97	-3	97	11.6	11.6
Carter Hawley Hale†/Jan	CHH	n	78	1	3	1	2½	18	102	100	200	NM	NM
Carter-Wallace/Mar	CAR	n	138	24	138	59	99½	68	146	-19	81	33.3	23.6
Caterpillar/Dec	CAT	n	75	38	54	38	49¾	3	89	13	113	NM	NM
CBI Industries/Dec	CBH	n	38	11	38	26	35¼	16	100	9	109	22.9	18.5
CBS/Dec	CBS	n	226	128	177	128	167½	-1	85	18	118	NM	18.3
Centel/Dec	CNT	n	48	15	48	27	42½	35	117	22	122	22.5	59.0
Centerior Energy/Dec	CX	n	24	12	20	15	18¼	-5	82	-8	92	10.7	10.3
Centex/Mar	CTX	n	55	15	55	33	53	58	137	18	118	27.9	15.8
Central & So West/Dec	CSR	n	27	14	27	22	25¾	15	100	-5	95	12.9	12.4
Central Bancshares/Dec	CBSS	o	32	11	32	17	30¼	73	150	6	106	11.2	10.1
Central Fidelity Bks/Dec	CFBS	o	39	12	39	19	35¾	92	166	-8	92	12.8	11.5
Champion Intl/Dec	CHA	n	45	22	30	22	28⅛	9	94	17	117	NM	50.2
Charming Shoppes/Jan	CHRS	o	37	7	32	13	31⅛	120	191	43	143	28.3	24.1
Chase Manhattan/Dec	CMB	n	46	10	25	14	25⅛	81	157	46	146	8.1	8.5
Chemical Banking/Dec	CHL	n	47	10	36	15	35⅝	130	199	66	166	NM	11.3
Chevron/Dec	CHV	n	82	32	80	60	63⅝	-18	71	-8	92	17.2	15.3
Chiquita Brands Intl/Dec	CQB	n	51	9	51	32	33	-11	77	-18	82	12.9	11.7
Chrysler/Dec	C	n	48	9	19	10	18	26	109	53	153	NM	NM
Chubb/Dec	CB	n	78	26	78	61	65⅝	-3	84	-15	85	10.4	10.7
Cigna/Dec	CI	n	70	33	62	41	55¾	19	103	-9	91	8.8	10.2
Cincinnati Financial/Dec	CINF	o	123	37	123	93	116¼	23	107	8	108	13.2	12.7
Cincinnati G&E/Dec	CIN	n	40	23	40	31	36	12	97	-10	90	10.8	10.0
Cipsco/Dec	CIP	n	28	20	28	23	26¾	18	102	-4	96	12.7	12.3
Circle K/Apr	CKP	n	19	¼	1	½	½	-50	NM	-20	NM	NM	NA
Circuit City Stores/Feb	CC	n	35	9	35	16	34⅛	110	182	49	149	26.2	18.9
Circus Circus/Jan	CIR	n	47	9	47	30	40⅞	31	113	9	109	22.2	18.4
Cisco Systems/July	CSCO	o	44*	9*	43	10	41⅜	225	282	28	127	51.2	35.1
Citadel Holding/Dec	CDL	o	61	8	37	8	30	-9	79	61	161	37.0	3.8
Citicorp/Dec	CCI	n	36	9	18	9	17⅜	26	109	70	170	NM	17.0
Citizens Utilities/Dec	CZN	n	41	19	40	24	37⅛	40	121	5	105	18.0	16.5
City National/Dec	CYN	n	28	9	16	9	13⅜	-7	81	13	113	NM	16.5
Clorox/June	CLX	n	49	24	49	37	47¼	20	104	12	111	41.1	16.5
CMS Energy/Dec	CMS	n	40	11	31	17	22¼	-26	64	21	121	NM	10.9
Coast Savings Finl/Dec	CSA	n	22	2	11	4	9½	145	212	27	127	3.5	5.6
Coastal Corp/Dec	CGP	n	40	14	37	22	22⅞	-30	61	-7	93	24.9	10.5
Coca-Cola/Dec	KO	n	83	14	83	51	81	50	130	1	101	33.3	28.2
Coca-Cola Enterprises/Dec	CCE	n	21	11	20	12	13	-29	62	-15	85	NM	61.9

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. ‡Earnings reported after Mar. 20, 1992. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. D-Z: Defict to zero. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
11.7%	$1.54	$1.54	$1.63	6%	19	low	$0.70	2.0%	45%	NA
19.9	2.08	2.08‡	2.59	25	17	average	none	NA	NA	NA
8.2	5.69	5.35	2.80	-48	7	average	1.04	2.4	18	4%
8.2	3.23	2.09	3.00	44	13	average	none	NA	NA	NA
0.3	0.43	0.43	2.07	381	4	average	none	NA	NA	NA
def	-5.43	-5.43	0.15	D-P	11	very low	none	NA	NA	NA
7.4	1.79	1.58	1.92	22	22	very high	0.70	1.9	39	12
7.0	22.33	22.33	26.67	19	15	average	0.20	0.0	1	0
9.4	5.33	5.33	6.34	19	26	high	1.32	2.3	25	8
6.1	0.62	0.62	2.01	224	14	average	0.56	1.7	90	9
14.0	4.53	4.53	4.54	0	22	high	3.16	6.0	70	3
def	-4.72	-0.10E	0.00	D-Z	1	NM	none	NA	NA	NA
6.8	2.99	3.57E	4.21	18	4	high	1.00	1.0	33	19
def	-4.00	-4.00	0.64	D-P	32	very low	0.60	1.2	NM	20
3.8	1.54	1.54	1.91	24	12	average	0.48	1.4	31	2
def	-5.32	-5.32	9.18	D-P	19	low	1.00	0.6	NM	-15
13.7	1.89	1.89	0.72	-62	19	low	0.90	2.1	48	7
9.2	1.71	1.71	1.77	4	19	average	1.60	8.8	94	-9
1.4	1.90	2.21E	3.35	52	13	average	0.40	0.8	21	15
12.3	1.99	1.99	2.08	5	23	very high	1.54	6.0	77	6
10.4	2.70	2.70	3.00	11	4	high	1.00	3.3	37	7
9.5	2.80	2.80	3.10	11	6	very high	1.12	3.1	40	9
0.8	0.14	0.14	0.56	300	21	very low	0.20	0.7	143	-18
5.7	1.10	1.10	1.29	17	23	average	0.16	0.5	15	7
4.4	3.12	3.12	2.96	-5	28	low	1.20	4.8	38	-12
1.1	0.11	0.11	3.14	NM	27	low	1.20	3.4	NM	-15
3.5	3.69	3.69	4.15	12	36	low	3.30	5.2	89	8
2.8	2.55	2.55	2.83	11	9	very high	0.60	1.8	24	50
def	-2.22	-2.22	-0.01	D-D	23	very low	0.60	3.3	NM	-7
12.2	6.32	6.32	6.15	-3	28	high	1.60	2.4	25	12
2.4	6.34	6.34	5.49	-13	26	average	3.04	5.5	48	2
12.6	8.81	8.81	9.15	4	7	high	3.04	2.6	35	16
13.6	3.32	3.32	3.60	8	19	average	2.48	6.9	75	3
10.0	2.11	2.11	2.18	3	9	high	1.88	7.0	89	2
def	-5.81	NA	NA	NA	NA	NA	none	NA	NA	NA
2.3	1.31	1.47E	1.82	24	15	average	0.10	0.3	8	33
12.8	1.84	1.84	2.22	21	16	high	none	NA	NA	NA
24.1	0.81	0.57	1.18	107	18	high	none	NA	NA	NA
0.5	0.81	0.81	8.00	NM	1	NM	none	NA	NA	NA
def	-3.22	-3.22	1.04	D-P	31	very low	none	NA	NA	NA
20.5	2.06	2.06	2.25	9	2	NM	none	NA	NA	NA
def	-0.66	-0.66	0.81	D-P	4	low	none	NA	NA	NA
3.7	1.15	0.98	2.87	193	15	very high	1.56	3.3	136	18
def	-3.26	-3.26	2.05	D-P	16	low	0.48	2.2	NM	0
4.7	2.68	2.68	1.71	-36	8	low	none	NA	NA	NA
1.0	0.92	0.92	2.17	136	23	low	0.40	1.7	43	14
14.0	2.43	2.43	2.87	18	26	very high	1.12	1.4	46	15
def	-0.79	-0.79	0.21	D-P	18	very low	0.05	0.4	NM	0

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Colgate-Palmolive/Dec	CL	n	51	14	51	36	48⅝	28%	111	–1%	99	62.8	16.7
Colorado Natl Bkshs/Dec	COLC	o	29	8	29	13	28⅝	99	173	11	111	30.8	19.5
Columbia Gas System/Dec	CG	n	57	13	46	13	18⅜	–59	36	7	106	NM	10.4
Comcast/Dec	CMCSA	o	20	7	19	13	15⅝	–3	84	–8	92	NM	NM
Comdisco/Sep	CDO	n	35	11	27	15	14¾	–38	54	–29	71	9.1	6.9
Comerica/Dec	CMA	n	61	22	61	34	57¾	69	147	7	107	11.5	10.4
Commerce Bcshs/Dec	CBSH	o	39	13	39	24	36¼	47	128	11	111	11.4	10.8
Commercial Federal/June	CFCN	o	19	2	11	4	10	176	239	95	195	1.8	2.6
Commonwealth Ed/Dec	CWE	n	43	23	43	34	35½	–11	77	–11	89	NM	12.0
Compaq Computer/Dec	CPQ	n	74	13	67	22	28⅜	–52	42	9	108	19.2	10.5
Computer Associates/Mar	CA	n	22	4	17	7	16¾	103	176	47	147	17.5	14.0
Computer Sciences/Mar	CSC	n	84	37	84	52	69⅜	16	100	–14	86	17.4	14.3
ConAgra/May	CAG	n	37	9	37	27	27½	–4	83	–23	77	18.2	14.8
Conner Peripherals/Dec	CNR	n	31*	7*	29	13	20⅜	–16	73	31	131	13.1	11.7
Conseco/Dec	CNC	n	42	2	42	12	36	187	248	16	116	8.5	12.2
Consolidated Edison/Dec	ED	n	30	19	29	23	27	7	93	–6	94	11.6	11.2
Consol Freightways/Dec	CNF	n	41	10	20	10	17⅛	19	103	16	116	NM	21.5
Consol Natural Gas/Dec	CNG	n	53	29	45	34	34	–17	72	–21	79	17.5	14.3
Consolidated Papers/Dec	CPER	o	46	23	45	32	42¼	16	100	15	115	20.1	22.1
Consolidated Rail/Dec	CRR	n	88*	20*	88	46	83⅞	80	156	–1	99	NM	13.5
Continental Airlines/Dec	CTA	a	44	⅛	4	⅛	¼	–92	NM	–33	NM	NM	NM
Continental Bank/Dec	CBK	n	27	7	17	8	17⅛	54	133	83	183	NM	9.4
Continental Corp/Dec	CIC	n	55	16	30	23	27¾	2	89	0	100	28.9	NM
Cooper Industries/Dec	CBE	n	59	20	59	47	56⅞	17	102	–1	99	18.7	16.7
Cooper Tire & Rubber/Dec	CTB	n	54	6	54	22	51⅝	113	184	1	101	26.9	23.0
Adolph Coors/Dec	ACCOB	o	30	16	24	17	18¾	–21	68	–11	89	29.3	13.2
CoreStates Financial/Dec	CSFN	o	50	23	50	34	45⅛	31	113	–6	94	10.8	10.3
Corning/Dec	GLW	n	43	9	43	28	33½	11	96	–13	87	20.2	17.8
Costco Wholesale/Aug	COST	o	43	2	43	23	38¼	67	145	3	103	49.0	39.8
CPC International/Dec	CPC	n	47	13	47	40	43⅞	7	93	–3	97	18.3	15.2
Cray Research†/Dec	CYR	n	136	20	52	32	44½	17	101	15	115	10.7	10.5
Crestar Financial/Dec	CRFC	o	36	11	26	15	23½	44	124	32	132	24.0	14.5
Crown Central Pet/Dec	CNPA	a	42	12	33	22	24¾	–19	71	9	109	NM	11.4
Crown Cork & Seal/Dec	CCK	n	93	29	93	61	88¼	43	124	–2	98	19.9	17.4
CSF Holdings/Dec	CSFCB	o	17	7	17	8	16¾	86	161	37	137	4.9	NA
CSX/Dec	CSX	n	62	22	62	36	61¾	70	147	7	107	NM	13.5
Cullen/Frost Bankers/Dec	CFBI	o	21	5	21	7	19½	152	218	29	129	NM	30.0
Cummins Engine/Dec	CUM	n	95	31	66	34	63¾	83	158	18	117	NM	25.2
Cyprus Minerals/Dec	CYM	n	33	9	25	18	21¾	7	92	–5	95	30.2	23.6
Dana/Dec	DCN	n	54	20	39	25	38½	37	119	39	139	NM	30.3
Data General/Sep	DGN	n	37	4	23	10	10⅝	–13	75	–36	64	4.6	12.4
Dauphin Deposit/Dec	DAPN	o	42	24	42	32	37¾	10	95	4	104	10.3	10.3
Dayton Hudson/Jan	DH	n	80	22	80	56	63⅞	–5	82	3	103	16.5	12.9
Dean Foods/May	DF	n	34	15	34	23	24½	–17	72	–20	80	13.7	12.1
Deere & Co/Oct	DE	n	78	23	57	40	52¾	6	91	10	110	NM	28.1
Delmarva Power & Lt/Dec	DEW	n	22	16	22	18	20½	10	95	–4	96	14.2	12.1
Delta Air Lines/June	DAL	n	86	32	77	57	66¼	–5	82	0	100	NM	NM
Deluxe/Dec	DLX	n	49	20	49	34	40⅞	7	93	3	103	18.8	17.0

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; stock performance includes value of special distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
2.1%	$0.77	$0.77	$2.90	277%	16	very high	$1.06	2.2%	138%	10%
2.7	0.93	0.93	1.47	58	7	average	0.16	0.6	17	22
def	-15.72	-15.72	1.76	D-P	14	low	none	NA	NA	NA
def	-1.31	-1.31	-1.22	D-D	10	low	0.14	0.9	NM	28
3.0	1.62	1.70	2.15	26	8	average	0.28	1.9	17	18
10.9	5.04	5.04	5.53	10	14	high	1.88	3.3	37	9
10.1	3.17	3.17	3.35	6	6	high	0.76	2.1	24	8
7.7	5.44	1.26	3.80	202	1	NM	none	NA	NA	NA
1.5	0.08	0.08	2.97	NM	24	low	3.00	8.5	NM	0
4.0	1.49	1.49	2.73	83	40	low	none	NA	NA	NA
12.0	0.96	1.03E	1.20	17	16	average	0.10	0.6	10	0
3.4	3.99	4.14E	4.86	17	13	average	none	NA	NA	NA
1.8	1.51	1.59E	1.86	17	20	high	0.54	2.0	36	13
5.8	1.57	1.57	1.77	13	18	average	none	NA	NA	NA
8.7	4.22	4.22	2.95	-30	3	low	0.08	0.2	2	39
9.7	2.32	2.32	2.41	4	22	high	1.90	7.0	82	6
def	-1.52	-1.52	0.83	D-P	13	very low	none	NA	NA	NA
6.5	1.94	1.94	2.38	23	21	average	1.90	5.6	98	8
10.5	2.10	2.10	1.91	-9	17	low	1.28	3.0	61	16
def	-5.39	-5.39	6.21	D-P	15	average	1.80	2.1	NM	23
def	-6.74	-6.74	-1.97	D-D	4	very low	none	NA	NA	NA
def	-2.08	-2.08	1.82	D-P	19	low	0.60	3.5	NM	44
1.0	0.96	0.96	-0.58	P-D	21	very low	2.60	9.4	NM	0
6.4	3.04	3.04	3.41	12	25	average	1.24	2.2	41	9
7.9	1.92	1.92	2.25	17	12	average	0.28	0.5	15	22
1.2	0.64	0.64	1.42	122	8	low	0.50	2.7	78	0
9.6	4.19	4.19	4.40	5	29	high	2.00	4.4	48	9
9.5	1.66	1.66	1.88	13	15	high	0.60	1.8	36	12
1.6	0.78	0.74	0.96	30	15	low	none	NA	NA	NA
6.0	2.40	2.40	2.88	20	26	very high	1.20	2.7	50	17
13.1	4.15	4.15	4.25	2	25	average	none	NA	NA	NA
2.8	0.98	0.98	1.62	65	14	low	0.80	3.4	82	5
def	-0.61	-0.61	2.18	D-P	3	low	0.40	1.6	NM	-12
3.4	4.43	4.43	5.08	15	5	average	none	NA	NA	NA
5.9	3.43	3.43	NA	NA	NA	NA	none	NA	NA	NA
def	-0.75	-0.75	4.59	D-P	18	high	1.52	2.5	NM	9
0.1	0.02	0.02	0.65	NM	5	very low	none	NA	NA	NA
def	-4.96	-4.96	2.53	D-P	16	very low	0.20	0.3	NM	-25
2.5	0.72	0.72	0.92	28	15	very low	0.80	3.7	111	79
0.3	0.33	0.33	1.27	285	14	low	1.60	4.2	NM	3
6.4	2.33	2.62	0.86	-67	15	very low	none	NA	NA	NA
13.7	3.67	3.67	3.67	0	6	very high	1.52	4.0	41	11
1.9	3.86	3.86	4.96	24	26	average	1.52	2.4	39	12
3.4	1.79	1.76E	2.03	15	8	average	0.56	2.3	31	18
0.0	0.04	-0.27	1.88	D-P	32	low	2.00	3.8	NM	50
9.5	1.44	1.44	1.70	18	16	average	1.54	7.5	107	4
def	-5.44	-7.73	-2.96	D-D	18	very low	1.20	1.8	NM	1
12.4	2.18	2.18	2.41	11	14	high	1.28	3.1	59	13

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Deposit Guaranty/Dec	DEPS	o	40	18	38	25	34¼	38%	120	0%	100	8.4	8.4
Detroit Edison/Dec	DTE	n	35	12	35	28	31⅛	9	94	–10	90	8.6	8.6
Dial†/Dec	DL	n	50	19	50	31	39⅞	62	140	12	112	NM	9.9
Diamond Shamrock/Dec	DRM	n	29	7	27	18	20⅞	–17	72	8	108	15.0	9.4
Digital Equipment/June	DEC	n	200	46	74	49	56¾	–18	71	3	103	NM	NM
Dillard Dept Stores/Jan	DDS	n	137	24	137	100	129¼	28	111	5	105	23.4	19.6
Dime Savings Bank FSB/Dec	DME	n	26	2	7	2	4⅝	–12	76	37	137	NM	NM
Discount Corp of NY/Dec	DCY	n	28	7	14	9	11	6	92	11	111	NM	NA
Walt Disney/Sep	DIS	n	157	41	157	104	149⅞	26	109	31	131	29.6	24.5
Dole/Dec	DOL	n	48	12	48	32	35⅛	–3	84	–2	98	15.7	13.2
Dominion Bankshares/Dec	DMBK	o	26	5	16	8	14½	73	150	35	135	29.0	17.3
Dominion Resources/Dec	D	n	40	24	40	31	36	15	99	–5	95	12.2	11.9
RR Donnelley & Sons/Dec	DNY	n	53	26	52	42	50	6	92	0	100	18.9	16.0
Dover/Dec	DOV	n	44	22	44	35	41	3	89	–2	98	19.1	16.7
Dow Chemical/Dec	DOW	n	76	37	60	46	60⅛	26	109	12	112	17.4	18.3
Dow Jones/Dec	DJ	n	55	18	35	22	34¼	41	122	32	132	48.2	26.0
Downey S&L Assn/Dec	DSL	n	24	7	18	11	15¼	7	93	27	127	9.9	5.3
DPL/Dec	DPL	n	26	15	26	20	24¼	19	103	–6	94	14.0	11.8
DQE/Dec	DQE	n	31	11	31	25	28½	14	99	–7	93	11.4	11.0
Dresser Industries/Oct	DI	n	29	9	26	16	19⅞	–18	71	–1	99	19.9	16.2
Dreyfus/Dec	DRY	n	50	16	50	31	40⅝	14	99	–18	82	23.0	16.9
El du Pont de Nemours/Dec	DD	n	51	25	51	36	46⅛	26	109	–1	99	22.2	14.2
Duke Power/Dec	DUK	n	35	20	35	27	32⅜	13	98	–8	92	12.5	12.0
Dun & Bradstreet/Dec	DNB	n	72	36	58	43	56½	21	105	–2	98	19.8	18.1
Duracell Intl/June	DUR	n	NA	NA	36*	19*	27⅝	NA	NA	–20	80	34.5	19.5
E-Systems/Dec	ESY	n	44	23	44	31	33¼	–12	77	–12	88	9.9	8.9
Eastman Kodak/Dec	EK	n	71	34	51	39	40⅝	–6	82	–16	84	NM	9.8
Eaton/Dec	ETN	n	78	37	78	53	78	35	117	21	121	35.6	18.4
Echlin/Aug	ECH	n	25	9	20	10	18⅞	48	128	31	131	24.2	21.0
Edison Bros Stores/Jan	EBS	n	49	11	45	28	38¼	26	111	13	113	13.5	11.0
AG Edwards/Feb	AGE	n	32	7	32	16	24⅜	50	130	–19	81	11.7	10.0
EG&G/Dec	EGG	n	54	27	54	38	52⅞	29	112	6	106	18.2	16.7
Emerson Electric/Sep	EMR	n	58	27	58	43	55	27	110	0	100	19.3	17.9
Engelhard/Dec	EC	n	38	15	38	24	35⅞	39	121	10	110	18.3	16.3
Enron/Dec	ENE	n	39	16	39	27	36⅞	31	113	5	105	17.2	15.8
Enserch/Dec	ENS	n	28	10	21	10	13⅜	–31	60	–2	98	NM	22.7
Entergy/Dec	ETR	n	30	8	30	23	28⅛	17	102	–5	95	10.7	10.9
Equifax/Dec	EFX	n	22	9	20	13	17⅞	0	87	13	113	27.1	16.7
Equimark/Dec	EQK	n	20	1	5	1	4¾	138	206	111	211	NM	14.8
Equitable of Iowa/Dec	EQICB	o	51	14	51	22	47½	116	187	13	113	10.8	7.2
Equitable Resources/Dec	EQT	n	47	27	42	35	35¾	–5	83	–13	87	11.6	11.5
Ethyl/Dec	EY	n	33	14	33	22	25⅛	–15	73	–10	90	14.4	12.9
Exxon/Dec	XON	n	62	31	62	54	54¾	–5	82	–10	90	12.3	13.2
Farm & Home Finl/Dec	FAHS	o	25	6	24	10	20¾	118	189	15	115	7.0	7.7
Federal Express/May	FDX	n	76	30	56	31	51¼	46	126	32	132	NM	15.9
Federal Home Loan Mtg/Dec	FRE	n	46*	10*	46	24	42⅞	74	151	–6	94	13.9	12.3
Federal Natl Mortgage/Dec	FNM	n	72	8	72	41	64¾	51	131	–6	94	12.2	11.3
Federal Paper Board/Dec	FBO	n	33	11	33	23	32⅞	30	112	14	114	17.7	14.2

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs 91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
7.2%	$4.08	$4.08	$4.10	0%	5	very high	$1.56	4.6%	38%	3%
15.8	3.64	3.64	3.62	–1	21	average	1.98	6.4	54	3
def	–0.16	–0.16	4.05	D-P	11	average	1.12	2.8	NM	2
1.4	1.39	1.39	2.23	60	16	average	0.52	2.5	37	10
def	–7.08	–5.08	–0.87	D-D	22	very low	none	NA	NA	NA
5.1	5.53	5.53	6.58	19	23	average	0.24	0.2	4	9
def	–2.21	–1.91E	–0.06	D-D	5	very low	none	NA	NA	NA
def	–1.67	–1.67	NA	NA	NA	NA	0.40	3.6	NM	–19
10.2	5.06	4.78	6.13	28	32	average	0.84	0.6	17	23
4.2	2.24	2.24	2.67	19	4	average	0.40	1.1	18	0
2.0	0.50	0.50	0.84	68	9	low	0.44	3.0	88	–8
12.1	2.94	2.94	3.03	3	27	very high	2.38	6.6	81	4
5.2	2.64	2.64	3.12	18	16	average	1.00	2.0	38	9
5.8	2.15	2.15	2.46	14	11	average	0.84	2.0	39	12
5.0	3.46	3.46	3.29	–5	29	low	2.60	4.3	75	21
4.2	0.71	0.71	1.32	86	18	average	0.76	2.2	107	4
7.3	1.54	1.54	2.88	87	2	NM	0.32	2.1	21	6
12.0	1.73	1.73	2.05	18	16	average	1.62	6.7	94	4
11.1	2.50	2.50	2.60	4	18	high	1.52	5.3	61	6
2.9	1.00	1.04	1.23	18	28	average	0.60	3.0	60	31
24.1	1.77	1.77	2.41	36	12	average	0.52	1.3	29	2
3.7	2.08	2.08	3.26	57	29	average	1.68	3.6	81	12
15.3	2.60	2.60	2.69	3	23	very high	1.72	5.3	66	5
11.0	2.85	2.85	3.12	9	23	very high	2.16	3.8	76	12
7.1	0.80	0.50	1.42	184	7	high	none	NA	NA	NA
5.5	3.35	3.35	3.74	12	18	very high	1.00	3.0	30	15
0.1	0.05	0.05	4.13	NM	23	average	2.00	4.9	NM	3
2.2	2.19	2.19	4.25	94	23	average	2.20	2.8	100	14
2.6	0.78	0.75	0.90	20	16	average	0.70	3.7	90	3
4.4	2.83	2.83	3.49	23	8	average	1.12	2.9	40	5
10.8	2.07	2.33E	2.44	5	1	NM	0.52	2.1	25	7
3.0	2.91	2.91	3.17	9	9	high	1.00	1.9	34	11
8.6	2.85	2.83	3.08	9	22	high	1.38	2.5	48	11
3.6	1.96	1.96	2.20	12	8	high	0.80	2.2	41	10
1.8	2.15	2.15	2.34	9	18	average	1.30	3.5	60	0
0.7	0.07	0.07	0.59	NM	19	very low	0.80	6.0	NM	0
11.9	2.64	2.64	2.59	–2	21	high	1.40	5.0	53	51
4.9	0.66	0.66	1.07	62	12	high	0.52	2.9	79	13
def	–0.89	–0.89	0.32	D-P	3	low	none	NA	NA	NA
4.3	4.38	4.38	6.59	50	6	average	1.28	2.7	29	9
9.4	3.08	3.08	3.10	1	11	average	1.54	4.3	50	6
8.0	1.75	1.75	1.95	11	21	average	0.60	2.4	34	17
5.4	4.45	4.45	4.16	–7	40	average	2.68	4.9	60	8
5.3	2.95	2.95	2.68	–9	2	NM	0.30	1.4	10	–30
def	–2.20	1.69E	3.22	91	12	very low	none	NA	NA	NA
13.0	3.08	3.08	3.50	14	18	high	0.76	1.8	25	NA
10.9	5.33	5.33	5.75	8	22	very high	1.20	1.9	23	78
5.7	1.83	1.83	2.28	25	16	low	1.00	3.1	55	32

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Federated Dept Strs/Jan	FD	n	NA	NA	NA	NA	14½	NA	NA	NA	NA	NA	NA
Fifth Third Bancorp/Dec	FITB	o	50	14	50	26	46⅞	79%	155	3%	103	20.1	17.8
Fina/Dec	FI	a	91	47	90	65	72¼	–18	71	3	103	26.7	NA
First Alabama Bcshs/Dec	FABC	o	31	13	31	22	27½	25	108	–8	92	11.6	10.4
First American Corp/Dec	FATN	o	35	5	22	9	21¾	138	207	21	121	29.8	14.8
First Bancp Ohio/Dec	FBOH	o	39	17	39	25	37	48	128	–1	99	11.8	11.0
First Bank System/Dec	FBS	n	37	10	28	17	26½	56	135	10	110	12.4	11.0
First Chicago/Dec	FNB	n	50	13	33	20	29¾	44	125	21	121	25.9	10.8
First Citizens Bcshs/Dec	FCNCA	o	38	18	32	21	30½	42	123	11	111	9.8	8.7
First City Bncp Texas/Dec	FBT	n	450	⅜	6	⅜	1⅞	–63	32	275	375	NM	NM
First Commerce/Dec	FCOM	o	40	13	40	18	38¾	104	177	20	120	13.2	11.5
First Empire State/Dec	FES	a	130	35	130	69	122½	77	153	23	123	13.1	11.2
First Fidelity Bncp/Dec	FFB	n	47	12	36	24	36⅛	45	126	11	111	10.7	10.6
First Financial Mgmt/Dec	FFM	n	33	10	33	19	27½	42	123	0	100	14.3	12.3
First Florida Banks/Dec	FFBK	o	36	8	30	10	29	130	199	61	161	NM	19.7
First Hawaiian/Dec	FHWN	o	31	9	31	24	26⅛	8	94	–6	94	10.3	9.2
First Interstate Bncp/Dec	I	n	70	16	43	25	37⅜	27	110	25	125	NM	15.0
First of America Bank/Dec	FOA	n	32	15	32	23	31	33	115	6	106	9.3	9.8
First Security/Dec	FSCO	o	35	12	35	19	34½	86	162	19	119	13.1	12.0
First Tennessee Natl/Dec	FTEN	o	50	18	50	25	49¾	102	175	20	120	12.3	10.9
First Union/Dec	FTU	n	39	14	39	19	36⅞	79	155	23	123	14.5	11.6
First Virginia Banks/Dec	FVB	n	40	17	40	27	38¾	46	126	9	109	11.9	11.1
Firstar/Dec	FSR	n	54	18	54	30	52¼	73	150	8	108	12.2	11.0
FirstFed Finl/Dec	FED	n	27	7	27	18	23	30	112	3	103	8.8	7.2
FirstFed Michigan/Dec	FFOM	o	27	9	18	10	16½	26	109	23	123	5.4	6.5
FirsTier Financial/Dec	FRST	o	64	28	64	36	61	69	147	11	111	10.6	10.0
Fleet/Norstar Finl/Dec	FNG	n	31	9	31	15	28¾	85	161	16	116	42.9	17.4
Fleming Cos/Dec	FLM	n	45	22	41	28	32⅜	–16	73	–5	95	15.8	9.7
FlightSafety Intl/Dec	FSI	n	65	16	57	39	54⅛	16	100	17	117	25.7	22.6
Florida Progress/Dec	FPC	n	48	29	48	39	42¾	9	34	–9	91	13.4	12.4
Fluor/Oct	FLR	n	55	11	51	35	40⅝	–16	73	–7	93	20.3	20.9
FMC/Dec	FMC	n	60	24	53	35	47	30	113	–2	98	9.9	9.9
Food Lion/Dec	FDLNA	o	27	7	27	16	22⅜	36	117	–18	82	35.0	29.1
Ford Motor/Dec	F	n	57	23	41	23	40¼	23	106	43	143	NM	NM
Forest Labs/Mar	FRX	a	44	7	44	29	34¾	–9	79	–16	84	32.5	24.3
Fortune Bancorp/Sep	FORB	o	32	6	12	7	10	8	94	19	119	NM	10.5
Foster Wheeler/Dec	FWC	n	34	10	33	21	27¾	–8	80	5	105	22.8	18.3
Fourth Financial/Dec	FRTH	o	28	13	26	18	25⅛	32	115	10	110	20.3	13.3
FPL Group/Dec	FPL	n	37	24	37	30	33¼	11	96	–10	90	22.5	12.1
Franklin Resources/Sep	BEN	n	29	4	29	17	25½	49	129	–10	90	19.1	16.3
Freeport-McMoRan/Dec	FTX	n	45	17	45	31	42¾	32	114	9	109	31.2	26.2
Fruit of the Loom/Dec	FTL	a	36	4	36	12	35⅜	189	250	28	128	22.1	17.6
Gannett/Dec	GCI	n	56	26	48	35	46	10	95	1	101	23.0	19.1
Gap/Jan	GPS	n	59	4	59	24	43⅞	83	158	–18	82	27.1	23.0
GATX/Dec	GMT	n	40	17	40	22	29⅜	–9	79	2	102	8.3	8.9
Geico/Dec	GEC	n	233	90	233	168	230	36	118	16	116	17.1	16.9
GenCorp/Nov	GY	n	40	5	15	7	14⅛	53	132	26	126	14.1	12.4
Genentech†/Dec	GNE	n	65	14	36	24	29⅜	19	103	–8	92	NM	NM

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
NA	NA	NA	NA	NA	NA	NA	none	NA	NA	NA
15.6%	$2.33	$2.33	$2.64	13%	13	high	$0.88	1.9%	38%	19%
1.3	2.71	2.71	NA	NA	NA	NA	3.20	4.4	118	31
11.9	2.38	2.38	2.65	11	7	high	1.00	3.6	42	6
2.9	0.73	0.73	1.47	101	9	average	none	NA	NA	NA
11.0	3.15	3.15	3.36	7	6	very high	1.62	4.4	51	6
10.5	2.13	2.13	2.40	13	22	average	0.82	3.1	38	-19
2.4	1.15	1.15	2.75	139	26	low	1.20	4.0	104	8
5.9	3.12	3.12	3.50	12	1	NM	0.50	1.6	16	14
def	-13.35	-13.35	-4.05	D-D	2	NM	none	NA	NA	NA
7.1	2.93	2.93	3.38	15	5	average	1.20	3.1	41	0
7.9	9.32	9.32	10.97	18	5	very high	1.60	1.3	17	16
8.0	3.37	3.37	3.42	1	21	average	1.20	3.3	36	-16
5.9	1.92	1.92	2.23	16	9	average	0.07	0.3	4	NA
def	-2.68	-2.68	1.47	D-P	7	low	none	NA	NA	NA
14.1	2.55	2.55	2.84	11	7	high	1.04	4.0	41	19
def	-5.24	-5.24	2.50	D-P	29	low	1.20	3.2	NM	-8
9.4	3.32	3.32	3.18	-4	11	average	1.28	4.1	39	10
8.4	2.64	2.64	2.88	9	7	high	0.92	2.7	35	8
8.4	4.04	4.04	4.58	13	9	high	1.80	3.6	45	10
7.4	2.55	2.55	3.19	25	32	average	1.24	3.4	49	10
11.8	3.25	3.25	3.48	7	8	high	1.40	3.6	43	9
10.7	4.27	4.27	4.77	12	12	very high	1.44	2.8	34	12
9.4	2.61	2.61	3.21	23	6	average	none	NA	NA	NA
3.6	3.05	3.05	2.53	-17	5	average	0.60	3.6	20	NA
11.4	5.77	5.77	6.12	6	4	high	1.32	2.2	23	3
2.2	0.67	0.67	1.65	146	26	average	0.80	2.8	119	-3
0.6	2.06	2.06	3.37	64	14	average	1.20	3.7	58	3
27.1	2.11	2.11	2.40	14	13	average	0.28	0.5	13	22
8.3	3.20	3.20	3.46	8	19	average	2.84	6.6	89	3
2.5	2.00	1.97	1.94	-2	25	average	0.40	1.0	20	95
4.4	4.77	4.77	4.73	-1	10	average	none	NA	NA	NA
3.2	0.64	0.64	0.77	20	23	high	0.17	0.8	27	32
def	-4.79	-4.79	0.18	D-P	24	very low	1.60	4.0	NM	4
20.4	1.07	1.14E	1.43	25	8	high	none	NA	NA	NA
def	-2.42	-2.40	0.95	D-P	1	NM	0.30	3.0	NM	7
2.2	1.22	1.22	1.52	25	14	average	0.54	1.9	44	5
5.6	1.24	1.24	1.89	52	5	average	0.88	3.5	71	5
4.6	1.48	1.48	2.75	86	26	high	2.40	7.2	162	3
31.1	1.33	1.26	1.56	24	7	high	0.26	1.0	20	30
6.1	1.37	1.37	1.63	19	11	low	2.50	5.8	182	52
6.8	1.60	1.60	2.01	26	13	average	none	NA	NA	NA
8.9	2.00	2.00	2.41	21	25	high	1.24	2.7	62	7
9.1	1.62	1.62	1.91	18	28	high	0.32	0.7	20	27
8.4	3.56	3.56	3.29	-8	7	average	1.30	4.4	37	12
9.1	13.48	13.48	13.59	1	16	average	3.00	1.3	22	13
1.6	1.00	1.00	1.14	14	7	average	0.60	4.2	60	3
9.5	0.39	0.39	0.26	-33	21	very low	none	NA	NA	NA

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	Stock price 5-year low	Stock price 12-month high	Stock price 12-month low	Stock price recent	Stock performance latest 12 months price change	Stock performance latest 12 months relative to market	Stock performance year to date price change	Stock performance year to date relative to market	Price/earnings ratios latest 12 months	Price/earnings ratios 1992 est
General Cinema/Oct	GCN	n	32	14	25	17	23	2%	88	21%	121	NM	25.6
General Dynamics/Dec	GD	n	77	19	64	29	63⅜	116	187	18	118	5.3	9.3
General Electric/Dec	GE	n	81	38	81	62	78⅛	19	103	3	103	15.4	14.0
General Mills/May	GIS	n	76	20	76	54	66⅞	18	102	–9	91	22.4	19.2
General Motors/Dec	GM	n	51	25	44	27	39⅛	4	90	35	135	NM	NM
General Public Utils/Dec	GPU	n	27	11	27	22	25⅝	7	93	–6	94	13.1	10.3
General Re/Dec	GRN	n	105	46	105	85	93	1	87	–9	91	12.5	13.3
General Signal/Dec	GSX	n	61	31	61	40	60⅞	52	132	15	115	21.7	15.5
Genuine Parts/Dec	GPC	n	34	18	34	25	32½	22	106	0	100	18.0	16.7
Georgia Gulf†/Dec	GGC	n	60	5	29	14	27¾	83	159	20	120	15.9	13.7
Georgia-Pacific/Dec	GP	n	72	23	72	41	69	60	138	29	129	NM	35.8
Gerber Products/Mar	GEB	n	79	11	79	56	70¼	21	105	–8	92	24.7	16.3
Giant Food/Feb	GFSA	a	36	12	31	21	24¼	–16	72	1	100	16.5	14.1
Gillette/Dec	G	n	56	9	56	34	48⅛	34	116	–14	86	24.8	20.9
PH Glatfelter/Dec	GLT	a	60	24	60	50	54¾	10	95	2	102	16.4	15.4
GlenFed/June	GLN	n	33	3	9	3	5⅞	–4	83	27	127	NM	3.5
Golden West Finl/Dec	GDW	n	44	10	44	28	39	38	120	–11	89	10.4	9.3
BF Goodrich/Dec	GR	n	69	28	51	36	51¼	34	116	22	122	NM	27.7
Goodyear/Dec	GT	n	77	13	67	20	67¼	204	263	26	126	54.2	18.5
WR Grace/Dec	GRA	n	45	17	45	29	43⅞	43	124	11	111	17.6	15.7
WW Grainger/Dec	GWW	n	57	22	57	38	56¾	48	129	5	105	24.0	21.0
Great A&P Tea/Feb	GAP	n	65	25	58	25	33¾	–36	55	19	119	18.2	11.0
Great Lakes Bancorp/Dec	GLBC	o	25	7	16	7	14¼	34	116	63	163	NM	8.1
Great Lakes Chemical/Dec	GLK	n	63	10	63	39	57⅛	45	125	0	100	25.6	18.1
Gt Western Financial/Dec	GWF	n	25	9	21	14	18⅛	7	92	1	101	8.1	7.7
Greater NY Savings/Dec	GRTR	o	13	⅝	4	⅝	2⅜	–27	63	138	237	NM	NA
Grumman/Dec	GQ	n	31	13	20	15	19⅛	22	106	9	109	6.6	6.9
GTE/Dec	GTE	n	36	15	35	28	30¼	–3	84	–11	89	17.6	14.4
Gulf States Utils/Dec	GSU	n	14	5	13	9	12⅛	3	89	18	118	23.3	14.6
Halliburton/Dec	HAL	n	59	20	51	25	24¾	–49	44	–13	87	NM	18.3
Hannaford Bros/Dec	HRD	n	29	7	29	20	25⅛	24	108	10	110	23.3	19.5
Hanover Insurance/Dec	HINS	o	43	21	43	27	37½	25	108	5	105	15.9	18.3
Harnischfeger Inds/Oct	HPH	n	30	9	23	17	20⅞	15	100	–2	98	10.4	11.6
Harris Corp/June	HRS	n	43	14	34	21	33	32	114	23	123	14.4	14.5
Harsco/Dec	HSC	n	40	18	40	24	35¼	42	123	18	118	12.1	10.9
Hartford Steam Boiler/Dec	HSB	n	64	20	64	45	48⅝	–16	73	–15	85	13.8	18.1
Hasbro/Dec	HAS	a	28	7	28	16	26⅛	67	145	–3	97	27.8	14.9
Hawaiian Electric/Dec	HE	n	40	22	38	31	36¼	10	95	–1	99	15.1	13.4
HealthTrust/Aug	HTI	n	NA	NA	24*	14*	20	NA	NA	31	131	21.1	14.8
Hechinger/Jan	HECHA	o	27	6	16	8	13	58	137	8	108	19.7	14.3
HJ Heinz/Apr	HNZ	n	49	17	49	35	36⅜	–6	81	–6	94	15.0	14.2
Hercules/Dec	HPC	n	74	26	54	33	53⅜	32	114	6	106	26.6	15.8
Hershey Foods/Dec	HSY	n	45	21	45	37	41¼	2	88	–7	93	17.0	15.6
Hewlett-Packard/Oct	HWP	n	83	25	83	45	82½	75	151	45	145	24.3	18.3
Hibernia/Dec	HIB	n	26	2	8	2	4⅜	–31	59	59	159	NM	NM
Hillenbrand Inds/Nov	HB	n	44	10	44	21	36½	70	147	4	104	29.9	25.5
Hills Dept Stores/Jan	HDS	n	13*	½*	2	½	1½	–25	65	140	240	3.9	NA
Hilton Hotels†/Dec	HLT	n	116	26	50	34	47¾	19	103	18	118	27.1	21.0

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. ‡Earnings reported after Mar. 20, 1992. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
def	$-3.39	$-3.88	$0.90	D-P	6	average	$0.52	2.3%	NM	11%
5.8%	12.06	12.06	6.84	-43%	21	average	1.60	2.5	13%	1
7.4	5.10	5.10	5.61	10	22	very high	2.20	2.8	43	17
6.5	2.98	3.04E	3.49	15	30	very high	1.48	2.2	50	17
def	-8.85	-8.85	-0.70	D-D	23	very low	1.60	4.1	NM	-7
6.5	1.96	1.96	2.50	28	23	average	1.50	5.9	77	40
20.5	7.46	7.46	7.01	-6	28	average	1.80	1.9	24	13
3.4	2.81	2.81	3.94	40	8	average	1.80	3.0	64	0
6.0	1.81	1.81	1.95	8	21	high	1.00	3.1	55	13
7.3	1.75	1.75	2.03	16	13	average	none	NA	NA	NA
def	-0.92	-0.92	1.93	D-P	23	low	1.60	2.3	NM	11
8.8	2.85	3.80E	4.31	13	17	very high	1.44	2.0	51	21
3.0	1.47	1.47‡	1.72	17	10	average	0.66	2.7	38	23
9.1	1.94	1.94	2.30	19	16	very high	0.62	1.3	32	8
13.4	3.34	3.34	3.55	6	7	average	1.20	2.2	36	21
def	-2.49	-6.79	1.67	D-P	15	low	none	NA	NA	NA
10.6	3.76	3.76	4.18	11	16	high	0.22	0.6	6	15
def	-3.50	-3.50	1.85	D-P	15	low	2.20	4.3	NM	9
0.7	1.24	1.24	3.64	194	14	low	0.40	0.6	32	-20
3.6	2.50	2.50	2.80	12	16	average	1.40	3.2	56	0
6.1	2.37	2.37	2.70	14	18	high	0.62	1.1	26	13
0.6	1.85	1.85	3.07	66	3	average	0.80	2.4	43	15
0.5	-0.29	-0.29	1.75	D-P	2	NM	none	NA	NA	NA
12.0	2.23	2.23	3.15	41	16	average	0.30	0.5	13	15
7.5	2.25	2.25	2.36	5	16	high	0.88	4.9	39	6
def	-4.72	-4.72	NA	NA	NA	NA	none	NA	NA	NA
2.5	2.88	2.88	2.76	-4	12	average	1.00	5.2	35	0
8.1	1.75	1.75	2.13	22	29	high	1.70	5.5	97	8
7.2	0.52	0.52	0.83	60	19	low	none	NA	NA	NA
0.4	0.25	0.25	1.35	440	29	low	1.00	4.0	NM	0
2.2	1.08	1.08	1.29	19	13	average	0.30	1.2	28	17
2.7	2.36	2.36	2.05	-13	9	low	0.44	1.2	19	7
4.0	2.01	2.08	1.80	-13	13	average	0.40	1.9	20	44
3.0	2.29	0.50	2.27	354	14	average	1.04	3.2	45	5
3.9	2.91	2.91	3.25	12	6	low	1.32	3.7	45	4
11.7	3.53	3.53	2.69	-24	16	average	2.00	4.1	57	18
3.8	0.94	0.94	1.75	86	18	average	0.20	0.8	21	36
5.1	2.40	2.40	2.71	13	8	average	2.24	6.2	93	5
3.8	0.95	0.82	1.35	65	3	NA	none	NA	NA	NA
1.6	0.66	0.66	0.91	38	16	average	0.16	1.2	24	0
9.9	2.42	2.32E	2.57	11	22	average	1.08	3.0	45	15
3.2	2.01	2.01	3.39	69	15	average	2.24	4.2	111	5
7.6	2.43	2.43	2.65	9	25	high	0.98	2.4	40	15
5.7	3.40	3.02	4.52	50	31	average	0.80	1.0	24	21
def	-5.09	-5.09	-0.60	D-D	5	very low	none	NA	NA	NA
7.4	1.22	1.22	1.43	17	7	average	0.35	1.0	29	15
0.6	0.39	0.39	NA	NA	NA	NA	none	NA	NA	NA
7.8	1.76	1.76	2.27	29	16	average	1.20	2.5	68	8

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Home Depot/Jan	HD	n	72	4	72	33	65⅝	93%	167	–3%	97	54.7	42.3
HomeFed/Dec	HFD	n	48	1/16	5	1/16	1¼	–75	22	400	500	NM	1.7
Honeywell†/Dec	HON	n	76	24	76	52	73½	25	108	13	113	15.6	14.4
Horace Mann Educators/Dec	HMN	n	NA	NA	23*	17*	20¾	NA	NA	–7	93	13.2	NA
Geo A Hormel/Oct	HRL	n	23	8	23	18	18¼	–19	70	–15	85	16.9	14.6
Household Intl†/Dec	HI	n	63	19	63	41	54⅞	27	110	7	107	17.4	9.0
Houston Industries/Dec	HOU	n	44	27	44	35	42¼	18	102	–5	95	12.9	12.6
Howard Savings Bank/Dec	HWRD	o	38	5/8	3	5/8	1⅞	0	87	114	214	NM	NA
Hubbell/Dec	HUBB	a	60	21	60	45	53	13	98	–1	99	18.5	16.9
Humana/Aug	HUM	n	35	11	35	23	24¾	–25	65	–8	92	11.0	10.5
Huntington Bcshs/Dec	HBAN	o	22	9	22	14	21⅞	58	137	12	112	11.5	10.5
IBP/Dec	IBP	n	30*	11*	25	13	17⅜	–20	69	19	119	NM	15.1
ICH/Dec	ICH	a	17	2	6	3	4⅞	3	89	63	162	NM	7.3
Illinois Central/Dec	IC	n	25*	6*	25	11	23⅝	108	180	4	104	14.4	12.4
Illinois Power/Dec	IPC	n	29	13	25	18	22	22	106	–6	94	21.2	11.2
Illinois Tool Works/Dec	ITW	n	71	25	71	52	66½	22	106	4	104	20.5	18.1
IMC Fertilizer Group/June	IFL	n	68*	23*	68	36	57⅛	34	116	1	101	14.5	13.6
Imcera Group/June	IMA	n	47	9	47	29	33⅝	7	93	–22	78	24.7	20.4
INB Financial/Dec	INBF	o	44	15	44	23	43⅛	84	159	33	133	16.5	14.1
Ingersoll-Rand/Dec	IR	n	66	23	66	42	65	48	128	18	118	22.3	18.3
Inland Steel Inds/Dec	IAD	n	49	17	26	17	25	14	99	16	116	NM	NM
Integra Financial/Dec	ITGR	o	37	13	37	19	36	95	169	20	120	12.5	10.8
Intel/Dec	INTC	o	69	14	69	39	65	49	129	33	133	16.6	15.4
Intelligent Electronics/Oct	INEL	o	30	1	30	9	22	41	122	26	126	21.2	16.9
Intergraph/Dec	INGR	o	33	11	32	16	19¼	–20	69	8	108	13.1	12.1
IBM/Dec	IBM	n	176	84	115	84	86⅛	–23	67	–3	97	NM	12.0
Intl Flavors & Frags/Dec	IFF	n	108	37	108	75	103¾	33	115	1	101	23.5	21.0
Intl Game Technology/Sep	IGT	n	30	7/8	30	7	28¼	330	372	23	123	47.0	38.6
Intl Multifoods/Feb	IMC	n	32	15	32	24	26⅞	–2	85	–7	93	13.4	12.4
International Paper/Dec	IP	n	79	27	79	59	76⅞	28	111	9	109	21.3	15.8
Interpublic Group/Dec	IPG	n	59	15	59	41	56½	31	114	–1	99	21.7	19.1
Ipalco Enterprises/Dec	IPL	n	34	19	34	27	31¾	14	99	–5	95	11.7	11.6
Itel/Dec	ITL	n	29	8	20	13	18¼	40	122	–3	97	NM	31.5
ITT/Dec	ITT	n	71	40	71	50	66	22	105	14	114	10.3	11.3
IVAX/Dec	IVX	a	41	2	41	10	34	232	287	–12	88	NM	49.3
James River Corp Va/Dec	JR	n	44	17	28	17	21⅝	–16	73	8	108	32.8	23.3
Jefferson-Pilot/Dec	JP	n	39	15	39	28	36¼	25	109	–4	96	10.6	11.8
Johnson & Johnson/Dec	JNJ	n	117	28	117	82	96	5	91	–16	84	21.9	18.8
Johnson Controls/Sep	JCI	n	47	17	42	27	41⅞	51	131	16	116	18.4	16.1
Jostens/June	JOS	n	39	15	39	29	31	–8	80	–10	90	19.4	18.1
JWP/Dec	JWP	n	30	5	23	13	19⅛	–7	80	23	123	12.4	11.2
Kansas City P&L/Dec	KLT	n	48	21	48	35	40½	14	99	–15	85	12.8	11.7
Kansas Power & Light/Dec	KAN	n	30	20	30	23	26¼	11	96	–7	92	13.7	10.6
Kellogg/Dec	K	n	67	19	67	44	57½	25	108	–12	88	22.9	20.3
Kemper/Dec	KEM	n	52	17	46	29	32½	2	88	–15	85	7.7	7.4
Kerr-McGee/Dec	KMG	n	54	29	46	35	37¾	–12	77	–2	98	18.0	17.0
KeyCorp/Dec	KEY	a	34	11	34	19	31	65	143	4	104	12.1	10.6
Kimberly-Clark/Dec	KMB	n	53	20	53	43	53¼	23	107	5	105	16.8	16.3

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. ‡Earnings reported after March 20, 1992. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
4.9%	$1.20	$1.20	$1.55	29%	25	high	$0.12	0.2%	10%	57%
def	–37.59	–37.59‡	0.75	D-P	2	NM	none	NA	NA	NA
5.3	4.70	4.70	5.09	8	17	very high	1.65	2.2	35	21
3.8	1.57	1.57	NA	NA	NA	NA	0.20	1.0	13	NA
3.0	1.08	1.13	1.25	11	13	high	0.36	2.0	33	18
3.3	3.15	3.15	6.13	95	17	average	2.26	4.1	72	2
9.4	3.28	3.28	3.36	2	22	average	2.96	7.0	90	1
def	–2.31	–2.31	NA	NA	NA	NA	none	NA	NA	NA
12.0	2.87	2.87	3.14	9	9	very high	1.56	2.9	54	18
5.6	2.25	2.26	2.36	4	25	average	0.90	3.6	40	12
9.6	1.90	1.90	2.09	10	12	high	0.80	3.7	42	13
0.0	0.03	0.03	1.15	NM	11	average	0.60	3.5	NM	0
def	–0.81	0.55E	0.67	22	2	NM	none	NA	NA	NA
11.9	1.64	1.64	1.91	16	9	average	0.40	1.7	24	NA
7.4	1.04	1.04	1.96	88	21	low	0.80	3.6	77	NA
6.8	3.25	3.25	3.68	13	20	average	0.88	1.3	27	23
8.2	3.95	3.85	4.19	9	12	average	1.08	1.9	27	8
6.1	1.36	1.24	1.65	33	11	high	0.40	1.2	29	1
7.5	2.61	2.61	3.06	17	9	high	1.20	2.8	46	9
4.2	2.91	2.91	3.55	22	24	average	1.32	2.0	45	8
def	–9.88	–9.88	–1.15	D-D	15	very low	none	NA	NA	NA
8.7	2.89	2.89	3.35	16	6	high	1.28	3.6	44	9
17.1	3.92	3.92	4.21	7	33	average	none	NA	NA	NA
1.8	1.04	1.11	1.30	17	10	average	none	NA	NA	NA
5.9	1.47	1.47	1.59	8	14	average	none	NA	NA	NA
def	–0.99	–0.99	7.16	D-P	35	average	4.84	5.6	NM	3
16.6	4.41	4.41	4.95	12	16	very high	2.72	2.6	62	19
14.1	0.60	0.52	0.73	40	9	average	none	NA	NA	NA
1.7	2.00	2.01E	2.17	8	9	very high	0.80	3.0	40	4
3.1	3.61	3.61	4.87	35	26	average	1.68	2.2	47	12
5.8	2.60	2.60	2.96	14	8	average	0.84	1.5	32	26
15.7	2.72	2.72	2.75	1	15	very high	1.96	6.2	72	5
def	–3.75	–3.75	0.58	D-P	5	very low	none	NA	NA	NA
4.0	6.42	6.42	5.84	–9	10	average	1.84	2.8	29	12
6.6	0.20	0.20	0.69	245	3	low	none	NA	NA	NA
1.7	0.66	0.66	0.93	41	24	very low	0.60	2.8	91	16
15.0	3.43	3.43	3.07	–10	17	average	1.36	3.8	40	9
11.7	4.39	4.39	5.11	16	33	very high	1.60	1.7	36	17
2.1	2.28	2.19	2.61	19	12	average	1.28	3.1	56	4
7.5	1.60	1.58	1.71	8	13	high	0.84	2.7	53	13
1.7	1.54	1.54	1.71	11	10	very high	none	NA	NA	NA
12.6	3.16	3.16	3.45	9	15	high	2.80	6.9	89	6
6.2	1.91	1.91	2.48	30	13	average	1.90	7.2	99	5
10.5	2.51	2.51	2.84	13	30	very high	1.12	1.9	45	12
6.5	4.25	4.25	4.40	4	16	average	0.92	2.8	22	11
3.1	2.10	2.10	2.22	6	25	low	1.52	4.0	72	10
8.3	2.57	2.57	2.92	14	15	average	1.04	3.4	40	8
7.5	3.18	3.18	3.27	3	23	high	1.64	3.1	52	22

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price: 5-year high	5-year low	12-month high	12-month low	recent	Stock performance: latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios: latest 12 months	1992 est
King World Prods/Aug	KWP	n	35	9	35	22	26½	-9%	79	7%	107	11.1	11.0
Kmart/Jan	KM	n	54	22	54	38	54	35	117	13	113	13.4	12.4
Knight-Ridder/Dec	KRI	n	61	33	60	44	58	16	101	10	110	22.8	19.7
Kroger†/Dec	KR	n	59	7	25	15	18⅛	-12	76	-8	92	16.2	11.5
KU Energy/Dec	KU	n	28	15	28	21	24½	17	101	-11	89	11.5	11.7
Leucadia National/Dec	LUK	n	53	9	53	24	49	81	157	33	133	6.1	15.9
LG&E Energy/Dec	LGE	n	48	30	48	39	45¾	16	101	-4	96	11.9	12.4
Liberty National/Dec	LNBC	o	34	11	34	17	28½	69	146	16	116	13.3	12.5
Eli Lilly/Dec	LLY	n	90	29	88	70	71⅜	-6	82	-15	85	15.9	13.7
Limited/Jan	LTD	n	33	8	33	21	29⅞	16	101	4	104	26.9	20.3
Lincoln National/Dec	LNC	n	63	31	61	45	56¾	12	97	4	104	12.3	12.1
Litton Industries/July	LIT	n	108	64	100	76	98¼	19	103	12	112	28.9	12.0
Liz Claiborne/Dec	LIZ	n	51	12	51	35	39¾	-11	77	-6	94	15.2	13.6
Lockheed/Dec	LK	n	62	25	48	38	45	9	95	0	100	9.3	8.0
Loctite/Dec	LOC	n	51	10	51	30	46¾	45	126	-6	94	23.6	21.2
Loews/Dec	LTR	n	135	58	115	98	107	2	89	-2	98	8.1	9.2
Long Island Lighting/Dec	LIL	n	25	6	25	22	23	0	87	-7	93	10.7	9.8
Longs Drug Stores/Jan	LDG	n	49	25	44	33	35⅞	-10	78	-8	92	13.2	11.9
Loral/Mar	LOR	n	49	24	46	33	34¾	-10	78	-12	88	8.9	7.9
Lotus Development/Dec	LOTS	o	41	13	41	18	36⅞	49	129	40	140	37.6	16.7
Louisiana-Pacific/Dec	LPX	n	67	20	67	30	65¼	112	184	47	147	42.1	18.1
Lowe's Cos/Jan	LOW	n	50	15	44	23	40½	42	123	19	119	NM	19.6
LTV/Dec	LTV	n	6	¼	2	½	¾	-57	NM	0	NM	1.7	NA
Lubrizol/Dec	LZ	n	67	25	67	43	65⅝	27	110	16	116	18.4	16.5
Lyondell Petrochem/Dec	LYO	n	34*	13*	26	20	23⅜	6	92	3	103	8.4	12.7
Manpower/Dec	MAN	n	NA	NA	17*	12*	16¼	NA	NA	10	110	NM	22.9
Manufacturers Natl/Dec	MNTL	o	48	15	48	27	45¾	72	149	9	109	12.0	11.2
Manville/Dec	MVL	n	43	4	10	5	8⅞	61	140	13	113	NM	14.3
Mapco/Dec	MDA	n	64	20	64	46	59	25	108	-3	97	14.1	11.3
Marion Merrell Dow/Dec	MKC	n	40	11	39	27	34⅞	-9	78	-4	96	16.9	14.5
Marriott/Dec	MHS	n	44	8	23	14	16⅞	4	90	2	101	21.1	17.2
Marsh & McLennan Cos/Dec	MMC	n	90	44	87	70	76	-4	83	-7	93	18.2	17.6
Marshall & Ilsley/Dec	MRIS	o	56	23	56	30	52¼	73	150	-5	95	11.6	11.2
Martin Marietta/Dec	ML	n	60	34	60	49	54½	0	87	-8	92	8.7	7.3
Masco/Dec	MAS	n	41	14	29	19	28⅞	30	112	23	123	NM	21.4
Mattel/Dec	MAT	n	35	5	35	18	33½	70	147	1	101	18.1	15.5
Maxxam/Dec	MXM	a	68	8	52	26	42	-8	79	43	143	6.9	7.0
May Dept Stores†/Jan	MA	n	63	22	63	47	59⅞	22	105	14	114	14.9	13.5
Maytag/Dec	MYG	n	32	10	20	12	19⅝	34	116	28	128	26.2	17.9
MBIA/Dec	MBI	n	52*	11*	52	30	50	49	129	4	104	13.4	12.1
MBNA/Dec	KRB	n	44*	23*	44	25	40⅛	60	138	13	113	13.4	11.4
McCaw Cellular/Dec	MCAWA	o	47*	11*	36	20	30¾	27	110	3	103	NM	NM
McCormick & Co/Nov	MCCRK	o	29	4	29	19	25¼	36	118	-4	96	25.8	22.2
McDonald's/Dec	MCD	n	45	16	45	30	43⅛	28	111	13	113	18.4	16.2
McDonnell Douglas/Dec	MD	n	95	27	81	36	59¾	61	139	-18	82	5.4	6.1
McGraw-Hill/Dec	MHP	n	86	40	65	50	61⅞	8	93	8	108	20.4	18.2
MCI Communications/Dec	MCIC	o	49	6	36	25	34¼	32	115	13	113	17.0	14.9
McKesson/Mar	MCK	n	40	23	40	32	33½	2	89	-8	92	14.4	12.8

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
18.5%	$2.39	$2.38	$2.41	1%	12	very high	none	NA	NA	NA
2.5	4.03	4.03	4.36	8	30	high	$1.84	3.4%	46%	12%
5.9	2.55	2.55	2.95	16	21	average	1.40	2.4	55	11
0.5	1.12	1.12	1.58	41	9	average	none	NA	NA	NA
13.7	2.13	2.13	2.10	–1	11	average	1.56	6.4	73	4
NA	8.00	8.00	3.09	–61	1	NM	none	NA	NA	NA
11.6	3.86	3.86	3.70	–4	10	high	2.92	6.4	76	4
9.6	2.14	2.14	2.28	7	3	very high	0.80	2.8	37	14
23.0	4.50	4.50	5.22	16	38	very high	2.20	3.1	49	19
6.6	1.11	1.11	1.47	32	33	average	0.28	0.9	25	27
2.2	4.60	4.60	4.68	2	27	average	2.92	5.1	63	6
1.3	3.40	2.89	8.16	182	17	average	none	NA	NA	NA
11.1	2.61	2.61	2.92	12	18	high	0.35	0.9	13	19
3.1	4.86	4.86	5.61	15	22	high	2.00	4.4	41	9
12.8	1.98	1.98	2.21	12	9	average	0.68	1.5	34	23
7.0	13.14	13.14	11.63	–11	6	average	1.00	0.9	8	0
12.0	2.15	2.15	2.34	9	21	average	1.70	7.4	79	NA
2.3	2.71	2.71	3.01	11	7	average	1.08	3.0	40	15
3.9	3.90	3.97E	4.40	11	18	high	0.96	2.8	25	11
5.2	0.98	0.98	2.21	126	29	average	none	NA	NA	NA
3.3	1.55	1.55	3.61	133	19	low	1.08	1.7	70	8
0.2	0.18	0.18	2.07	NM	17	average	0.56	1.4	NM	6
1.2	0.43	0.43	NA	NA	NA	NA	none	NA	NA	NA
8.4	3.57	3.57	3.98	11	15	average	1.60	2.4	45	6
3.9	2.78	2.78	1.84	–34	12	low	1.80	7.7	65	NA
def	–0.73	–0.73	0.71	D-P	4	low	none	NA	NA	NA
10.4	3.81	3.81	4.08	7	11	average	1.32	2.9	35	13
def	–0.24	–0.24	0.62	D-P	2	NM	none	NA	NA	NA
4.8	4.20	4.20	5.24	25	10	high	1.00	1.7	24	25
20.5	2.07	2.07	2.41	16	23	high	0.92	2.6	44	45
1.0	0.80	0.80	0.98	23	17	low	0.28	1.7	35	17
11.0	4.18	4.18	4.33	4	25	average	2.60	3.4	62	3
11.9	4.50	4.50	4.66	4	9	high	1.32	2.5	29	19
5.2	6.30	6.30	7.51	19	23	high	1.50	2.8	24	10
1.4	0.30	0.30	1.35	350	17	low	0.60	2.1	200	11
7.3	1.85	1.85	2.16	17	14	average	0.20	0.6	11	NA
2.6	6.08	6.08	6.00	–1	1	NM	none	NA	NA	NA
4.9	4.02	4.02	4.45	11	24	high	1.62	2.7	40	10
2.7	0.75	0.75	1.10	47	15	average	0.50	2.5	67	–12
53.8	3.74	3.74	4.15	11	8	very high	0.68	1.4	18	72
13.2	3.00	3.00	3.51	17	15	very high	1.76	4.4	59	NA
def	–2.04	–2.04	–1.79	D-D	13	low	none	NA	NA	NA
5.7	0.98	0.98	1.14	16	13	very high	0.36	1.4	37	21
12.8	2.35	2.35	2.66	13	26	high	0.37	0.9	16	13
2.3	11.03	11.03	9.88	–10	20	average	1.40	2.3	13	–9
7.6	3.03	3.03	3.41	13	13	average	2.24	3.6	74	7
6.5	2.01	2.01	2.30	14	30	average	0.10	0.3	5	NA
1.0	2.32	2.36E	2.62	11	13	average	1.60	4.8	69	6

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Mead/Dec	MEA	n	50	20	39	28	38½	34%	117	12%	112	34.4	20.6
Medco Containment/June	MCCS	o	35	3	35	17	31¾	69	147	0	100	54.7	53.8
Medical Care Intl/Dec	MEDC	o	81	3	81	42	69½	54	134	-9	91	38.6	30.2
Medtronic/Apr	MDT	n	99	16	99	54	76⅝	36	118	-19	81	29.5	24.2
Mellon Bank/Dec	MEL	n	54	18	42	25	38⅜	49	129	11	111	8.3	8.3
Melville/Dec	MES	n	58	22	55	38	51	2	88	15	115	15.9	13.3
Mercantile Bancorp/Dec	MTRC	o	41	17	41	27	39¾	43	124	6	106	10.3	9.5
Mercantile Bkshs/Dec	MRBK	o	29	13	29	23	25¾	10	95	-8	92	11.0	10.3
Mercantile Stores/Jan	MST	n	53	24	43	32	40	5	91	4	104	12.9	10.9
Merchants National/Dec	MCHN	o	47	13	47	18	46⅜	158	223	20	120	NM	14.8
Merck/Dec	MRK	n	170	48	170	100	147⅛	42	123	-12	88	26.8	22.7
Mercury General/Dec	MRCY	o	37	11	37	26	30	-4	83	-2	98	6.2	6.7
Meridian Bancorp/Dec	MRDN	o	27	9	27	15	25½	71	149	7	107	10.6	11.0
Merisel/Dec	MSEL	o	15*	2*	15	2	13⅜	354	394	49	149	31.7	21.6
Meritor Savings Bank/Dec	MTOR	o	11	⅜	1	⅜	⅝	-34	NM	5	NM	NM	NM
Merrill Lynch/Dec	MER	n	67	16	67	32	58	80	156	-2	98	9.6	9.6
Metro Mobile CTS/Sep	MMZA	a	26	4	23	13	21½	56	135	-5	95	NM	NM
Metropolitan Fin/Dec	MFC	n	25	5	25	11	22½	89	164	8	108	4.2	6.0
Fred Meyer/Jan	MEYR	o	29	10	29	16	27⅝	75	152	3	103	15.4	13.4
Michigan National/Dec	MNCO	o	58	13	48	20	47½	138	206	14	114	14.1	10.8
Microsoft/June	MSFT	o	133	12	133	61	128½	106	178	16	115	42.3	36.1
Midlantic/Dec	MIDL	o	50	3	9	4	8	12	97	78	178	NM	NM
Midwest Resources/Dec	MWR	n	22	17	21	18	20¼	8	94	1	101	14.9	12.8
Millipore/Dec	MIL	n	48	24	48	32	36	-12	76	-3	97	16.6	14.9
Minn Mining & Mfg/Dec	MMM	n	99	45	99	84	90¼	3	90	-5	95	17.2	15.7
Minnesota Power & Lt/Dec	MPL	n	33	20	33	26	30	11	96	-8	92	12.2	13.3
MNC Financial/Dec	MNC	n	29	2	9	3	7¾	94	168	59	159	NM	NM
Mobil/Dec	MOB	n	73	32	73	58	58½	-9	79	-14	86	12.6	13.1
Molex/June	MOLX	o	40	13	40	27	31¾	12	97	-11	89	25.0	23.0
Monsanto/Dec	MTC	n	76	29	76	55	68¾	24	107	1	101	29.5	12.6
Montana Power/Dec	MTP	n	28	15	28	22	24⅜	10	95	-14	86	12.0	11.6
JP Morgan & Co/Dec	JPM	n	71	27	71	44	59	31	114	-14	86	10.5	10.4
Morgan Stanley/Dec	MS	n	68	13	68	38	57⅜	46	126	-10	90	9.7	10.0
Morrison Knudsen/Dec	MRN	n	61	30	59	39	47⅞	-15	73	-4	96	18.4	16.1
Morton International/June	MII	n	65*	32*	65	45	63¼	40	121	9	109	21.5	20.9
Motorola/Dec	MOT	n	88	35	83	54	77⅝	36	117	19	119	22.6	18.5
Multibank Financial/Dec	MLTF	o	26	2	11	4	11	66	144	138	238	NM	26.2
Murphy Oil/Dec	MUR	n	48	21	40	32	34⅛	-11	77	0	100	NM	18.3
Mylan Labs/Mar	MYL	n	43	8	43	22	37⅜	40	121	-10	90	37.0	27.9
Nalco Chemical/Dec	NLC	n	42	12	42	27	34⅜	7	93	-17	83	18.9	17.5
Nash Finch/Dec	NAFC	o	28	15	20	16	18	-6	81	6	106	10.3	9.1
National City/Dec	NCC	n	42	23	42	32	42⅜	27	110	14	114	11.7	10.8
Natl Community Bks/Dec	NCBR	o	56	10	25	14	20⅛	1	87	26	126	16.9	15.9
National Health Labs/Dec	NH	n	31*	7*	31	15	24⅞	53	133	-15	85	23.7	19.8
National Intergroup/Mar	NII	n	21	10	18	13	13½	-15	74	-5	95	39.7	21.4
National Medical/May	NME	n	26	8	26	13	14⅛	-40	52	-16	84	8.1	8.9
Natl Semiconductor/May	NSM	n	22	3	12	4	10½	47	128	62	161	NM	14.6
National Service/Aug	NSI	n	30	17	27	19	25	-2	85	8	108	48.1	NA

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net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
1.4%	$1.12	$1.12	$1.87	67%	22	low	$1.00	2.6%	89%	12%
5.5	0.58	0.43	0.59	37	12	average	0.02	0.1	3	0
13.6	1.80	1.80	2.30	28	18	high	none	NA	NA	NA
13.7	2.59	2.68E	3.16	18	18	very high	0.48	0.6	19	19
8.9	4.66	4.66	4.63	–1	23	average	1.40	3.6	30	–2
3.5	3.20	3.20	3.84	20	16	average	1.48	2.9	46	18
8.6	3.85	3.85	4.19	9	7	very high	1.40	3.5	36	0
13.8	2.34	2.34	2.50	7	6	high	0.86	3.3	37	12
4.7	3.10	3.10	3.67	18	8	high	1.02	2.6	33	10
1.1	0.40	0.40	3.13	NM	6	average	1.20	2.6	NM	15
24.7	5.49	5.49	6.48	18	41	very high	2.76	1.9	50	24
12.4	4.83	4.83	4.47	–7	8	average	1.00	3.3	21	28
8.6	2.40	2.40	2.32	–3	14	average	1.20	4.7	50	7
0.7	0.43	0.43	0.63	47	6	average	none	NA	NA	NA
def	–3.18	–3.18	–1.00	D-D	1	NM	none	NA	NA	NA
5.6	6.02	6.02	6.02	0	8	average	1.00	1.7	17	1
def	–1.61	–1.58	–0.72	D-D	4	very low	none	NA	NA	NA
11.6	5.32	5.32	3.78	–29	5	low	0.46	2.0	9	12
1.7	1.80	1.80	2.07	15	5	average	none	NA	NA	NA
4.6	3.36	3.36	4.42	32	9	average	2.00	4.2	60	9
25.5	3.04	2.47	3.56	44	40	high	none	NA	NA	NA
def	–14.36	–14.36	–2.07	D-D	8	very low	none	NA	NA	NA
6.7	1.36	1.36	1.58	16	8	average	1.56	7.7	115	NA
8.1	2.17	2.17	2.42	12	12	average	0.48	1.3	22	13
8.7	5.26	5.26	5.76	10	24	high	3.20	3.5	61	14
15.6	2.46	2.46	2.25	–9	11	average	1.94	6.5	79	4
def	–0.89	–0.89	–1.16	D-D	12	very low	none	NA	NA	NA
3.4	4.65	4.65	4.47	–4	37	low	3.20	5.5	69	10
8.5	1.27	1.30	1.38	6	12	average	0.02	0.1	2	17
3.3	2.33	2.33	5.46	134	28	high	2.08	3.0	89	11
11.3	2.03	2.03	2.10	3	19	high	1.54	6.3	76	3
10.8	5.63	5.63	5.65	0	30	average	2.18	3.7	39	10
7.0	5.93	5.93	5.75	–3	8	average	0.94	1.6	16	37
1.8	2.60	2.60	2.98	15	14	average	1.60	3.3	62	3
7.3	2.94	2.85	3.02	6	23	very high	0.96	1.5	33	5
4.0	3.44	3.44	4.19	22	29	average	0.76	1.0	22	5
def	–1.66	–1.66	0.42	D-P	3	very low	none	NA	NA	NA
def	–0.28	–0.28	1.87	D-P	12	low	1.20	3.5	NM	4
34.4	1.01	1.05E	1.34	28	13	average	0.20	0.5	20	27
11.1	1.82	1.82	1.96	8	22	average	0.84	2.4	46	8
0.8	1.75	1.75	1.97	13	4	high	0.68	3.8	39	3
8.9	3.62	3.62	3.91	8	25	average	1.88	4.4	52	9
3.5	1.19	1.19	1.27	7	2	NM	0.70	3.5	59	–4
17.2	1.05	1.05	1.26	20	10	average	0.28	1.1	27	NA
0.4	0.34	0.15E	0.63	320	2	NM	none	NA	NA	NA
7.4	1.75	1.42E	1.59	12	20	average	0.46	3.3	26	11
def	–1.46	0.18E	0.72	300	16	low	none	NA	NA	NA
1.6	0.52	0.65	NA	NA	NA	NA	1.00	4.0	192	7

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
NationsBank/Dec	NB	n	55	16	48	29	47⅝	61%	139	17%	117	62.3	11.2
Navistar Intl/Oct	NAV	n	9	2	4	2	3⅝	-9	79	38	138	NM	NM
NBD Bancorp/Dec	NBD	n	32	12	32	23	29	12	97	-3	97	11.7	10.8
New England Electric/Dec	NES	n	33	20	33	26	29¾	12	97	-7	93	10.7	10.8
NY State E&G/Dec	NGE	n	30	20	30	24	27⅛	5	91	-6	94	11.5	10.8
New York Times/Dec	NYTA	a	50	17	32	18	32⅛	47	127	36	136	52.7	40.2
Newell Co/Dec	NWL	n	53	5	53	29	47	52	132	3	103	26.0	22.3
Newmont Mining†/Dec	NEM	n	102	25	47	33	38⅜	7	92	-5	95	27.6	24.5
Niagara Mohawk Power/Dec	NMK	n	19	11	19	14	18⅞	31	114	6	106	12.7	11.4
Nicor/Dec	GAS	n	47	20	47	40	40⅜	-2	85	-11	89	10.9	10.0
NIKE/May	NKE	n	78	7	78	35	66⅞	49	129	-8	92	16.2	13.4
Nipsco Industries/Dec	NI	n	27	8	27	20	22⅞	14	99	-11	89	11.8	11.0
Nordstrom/Jan	NOBE	o	53	16	53	31	36¾	10	95	2	102	22.1	18.1
Norfolk Southern/Dec	NSC	n	66	21	66	44	58⅞	34	116	-1	99	NM	14.2
Northeast Bancorp/Dec	NBIC	o	80	5	15	6	12½	11	96	92	192	NM	NM
Northeast Federal/Mar	NSB	n	25	1	8	2	6⅞	112	183	244	344	NM	NA
Northeast Utilities/Dec	NU	n	27	18	25	20	23⅞	17	102	1	101	11.3	11.8
No States Power/Dec	NSP	n	44	26	44	33	40	13	98	-7	93	12.2	13.0
Northern Trust/Dec	NTRS	o	54	15	54	36	50¾	40	122	2	102	14.8	13.3
Northrop/Dec	NOC	n	53	14	31	20	24½	-15	74	-7	93	4.3	5.6
Norwest/Dec	NOB	n	38	11	38	24	35¾	47	127	-2	98	12.1	10.9
Novell/Oct	NOVL	o	65	3	65	23	59	141	209	-2	98	48.0	37.1
Nucor/Dec	NUE	n	101	30	101	71	96½	26	109	8	108	32.2	26.7
NWNL/Dec	NWN	n	44	12	39	19	31⅜	5	91	2	102	9.3	6.2
Nynex/Dec	NYN	n	92	58	82	68	71¾	0	86	-11	89	24.1	11.7
Occidental Petroleum/Dec	OXY	n	40	17	25	17	19½	5	91	9	109	18.8	21.9
Office Depot/Dec	ODP	n	57*	8*	57	25	50⅜	100	174	0	100	NM	40.3
Ogden/Dec	OG	n	45	15	24	18	22⅛	16	100	10	110	22.0	15.5
Ohio Casualty/Dec	OCAS	o	58	27	58	41	56½	30	113	14	114	9.4	10.9
Ohio Edison/Dec	OEC	n	24	16	21	17	19½	6	92	-5	95	12.2	11.1
Oklahoma G&E/Dec	OGE	n	44	28	44	37	38⅜	-2	85	-12	88	11.8	11.9
Old Kent Financial/Dec	OKEN	o	41	18	41	25	40⅛	63	141	17	117	11.6	11.2
Old Republic Intl/Dec	ORI	n	42	15	42	25	41¾	62	140	18	118	8.4	9.2
Olin/Dec	OLN	n	68	28	54	37	50	16	101	24	124	NM	12.4
Oracle Systems/May	ORCL	o	28	4	21	7	15⅞	76	153	9	109	63.5	21.5
Oryx Energy/Dec	ORX	n	55*	18*	38	18	18½	-49	44	-28	72	NM	NM
Owens-Corning/Dec	OCF	n	40	9	40	17	34⅛	37	119	53	152	NM	13.1
Owens-Illinois/Dec	OI	n	NA	NA	15*	10*	13⅛	NA	NA	9	109	NM	16.4
Paccar/Dec	PCAR	o	61	22	61	38	57¾	43	124	19	119	49.4	21.2
Pacific Enterprises/Dec	PET	n	61	17	37	17	19⅞	-46	47	-24	76	NM	10.9
Pacific G&E/Dec	PCG	n	33	14	33	25	30½	19	103	-6	94	13.6	12.2
Pacific Telesis/Dec	PAC	n	52	23	45	39	39	-8	80	-13	87	15.1	13.1
PacifiCorp/Dec	PPW	n	25	13	25	21	21¾	-3	84	-13	87	11.7	11.6
PaineWebber Group/Dec	PWJ	n	27	7	27	13	24⅞	83	158	6	106	7.9	9.6
Pall/July	PLL	n	32	9	32	20	26⅜	24	108	-3	97	25.4	24.7
Panhandle Eastern/Dec	PEL	n	35	10	17	10	14⅞	3	89	-3	97	17.3	14.7
Paramount Commun/Oct	PCI	n	66	30	48	36	45¾	18	102	18	118	38.6	21.4
Parker Hannifin/June	PH	n	49	19	36	24	35⅜	43	124	16	115	36.9	24.4

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

	Earnings						Dividends			
net profit margin	latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout	5-year growth rate
1.7%	$0.76	$0.76	$4.25	459%	33	average	$1.48	3.1%	195%	17%
def	–0.75	–0.77	–0.20	D-D	16	very low	none	NA	NA	NA
10.8	2.49	2.49	2.68	8	25	high	1.00	3.4	40	17
8.6	2.77	2.77	2.75	–1	21	average	2.08	7.0	75	1
10.8	2.36	2.36	2.52	7	15	high	2.12	7.8	90	–3
2.8	0.61	0.61	0.80	31	20	low	0.56	1.7	92	8
10.0	1.81	1.81	2.11	17	17	very high	0.60	1.3	33	33
15.1	1.39	1.39	1.57	13	19	low	0.60	1.6	43	1
7.2	1.49	1.49	1.65	11	21	high	0.64	3.4	43	NA
7.2	3.71	3.71	4.05	9	11	high	2.36	5.8	64	9
9.7	4.14	4.37E	4.99	14	15	high	0.60	0.9	14	34
9.5	1.94	1.94	2.08	7	20	high	1.24	5.4	64	42
4.3	1.66	1.66	2.03	22	31	average	0.32	0.9	19	14
0.7	0.20	0.20	4.16	MM	20	average	1.80	3.1	NM	9
def	–2.37	–2.37	–1.00	D-D	1	NM	none	NA	NA	NA
1.7	–0.37	NA	NA	NA	NA	NA	none	NA	NA	NA
8.6	2.12	2.12	2.02	–5	18	average	1.76	7.4	83	0
10.2	3.29	3.29	3.08	–6	20	average	2.42	6.1	74	7
10.1	3.43	3.43	3.82	11	11	high	0.96	1.9	28	18
4.7	5.69	5.69	4.40	–23	15	average	1.20	4.9	21	0
9.0	2.95	2.95	3.29	12	27	high	1.00	2.8	34	13
25.9	1.23	1.10	1.59	45	33	average	none	NA	NA	NA
4.4	3.00	3.00	3.61	20	17	average	0.52	0.5	17	12
3.5	3.40	3.40	5.11	50	9	average	1.40	4.4	41	10
4.5	2.98	2.98	6.16	107	30	high	4.56	6.4	153	7
3.1	1.04	1.04	0.89	–14	30	very low	1.00	5.1	96	–16
1.1	0.54	0.54	1.25	131	13	average	none	NA	NA	NA
2.8	1.01	1.01	1.44	43	9	very high	1.25	5.6	124	6
6.3	6.02	6.02	5.18	–14	19	average	2.68	4.7	45	5
11.2	1.60	1.60	1.75	9	22	average	1.50	7.7	94	–7
10.2	3.27	3.27	3.24	–1	21	average	2.66	6.9	81	4
10.8	3.47	3.47	3.60	4	12	high	1.24	3.1	36	10
9.5	4.95	4.95	4.54	–8	3	high	0.74	1.8	15	6
def	–0.92	–0.92	4.05	D-P	11	high	2.20	4.4	NM	10
3.1	0.25	0.46E	0.74	61	18	low	none	NA	NA	NA
1.3	0.08	0.08	0.16	100	29	very low	1.20	6.5	NM	NA
def	–12.17	–12.17	2.61	D-P	12	low	none	NA	NA	NA
def	–3.25	–3.25	0.80	D-P	4	low	none	NA	NA	NA
1.7	1.17	1.17	2.73	133	13	average	1.00	1.7	85	0
def	–1.45	–1.45	1.82	D-P	15	low	none	NA	NA	NA
10.5	2.24	2.24	2.50	12	23	average	1.76	5.8	79	–3
10.3	2.58	2.58	2.98	16	30	high	2.14	5.5	83	9
12.7	1.86	1.86	1.87	1	26	average	1.50	6.9	81	12
4.8	3.15	3.15	2.60	–17	8	low	0.40	1.6	13	1
12.1	0.93	0.92	1.07	16	15	high	0.36	1.4	39	22
3.5	0.86	0.86	1.01	17	20	average	0.80	5.4	93	–22
3.6	1.25	1.03	2.14	108	27	average	0.80	1.7	64	3
1.9	0.96	1.23	1.45	18	23	average	0.92	2.6	96	4

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Penn Central/Dec	PC	a	34	15	27	22	24	1%	87	-6%	92	NM	12.5
Penn Traffic/Jan	PNF	a	34*	12*	34	19	33⅞	76	152	29	129	NM	NM
JC Penney/Jan	JCP	n	76	37	68	47	67⅛	30	113	22	122	34.1	13.4
Pennsylvania P&L/Dec	PPL	n	53	29	53	43	48⅞	12	97	-7	93	12.2	11.7
Pennzoil/Dec	PZL	n	95	39	77	44	43¾	-40	52	-22	78	25.3	27.3
People's Bank/Dec	PBCT	o	10*	2*	7	2	5⅛	21	104	173	273	NM	NA
Peoples Energy/Sep	PGL	n	28	14	28	22	25¾	12	97	-3	97	12.0	11.2
PepsiCo/Dec	PEP	n	36	9	36	27	32⅞	0	87	-3	97	24.4	18.5
Pet/June	PT	n	NA	NA	24*	15*	19	NA	NA	-20	80	20.0	18.5
Pfizer/Dec	PFE	n	87	21	87	50	71	37	118	-15	84	33.3	22.1
Phelps Dodge†/Dec	PD	n	85	21	85	58	84¼	28	111	26	126	10.7	11.4
PHH/Apr	PHH	n	45	18	37	26	33⅞	24	107	4	104	12.1	10.7
Philadelphia Elec/Dec	PE	n	26	15	26	19	24½	26	110	-5	95	11.4	10.9
Philip Morris Cos/Dec	MO	n	83	19	83	62	77⅛	11	96	-4	96	18.2	13.9
Phillips Petroleum/Dec	P	n	31	10	30	22	23⅞	-17	72	-1	99	62.8	17.3
PHM/Dec	PHM	n	32	6	32	12	28¾	104	176	22	122	16.8	13.4
Pinnacle West/Dec	PNW	n	33	5	18	10	17½	63	141	1	101	NM	11.2
Pioneer Hi-Bred Intl/Aug	PHYB	o	75	24	75	45	67	47	128	-10	90	18.8	17.7
Pitney Bowes/Dec	PBI	n	70	27	70	49	68¼	39	120	8	108	18.5	16.7
Pittston/Dec	PCO	n	22	9	21	15	15⅜	-15	74	-9	91	NM	9.7
PNC Financial/Dec	PNC	n	52	16	52	29	49	65	143	4	104	12.4	11.4
Polaroid/Dec	PRD	n	50	17	32	23	29¾	23	106	12	112	2.4	12.3
Policy Management Sys/Dec	PMS	n	73	15	73	43	69½	44	125	5	105	31.5	27.3
Potomac Electric/Dec	POM	n	25	18	25	20	23	9	94	-8	92	12.3	11.7
PPG Industries/Dec	PPG	n	62	28	62	45	61½	29	112	22	122	32.4	18.6
Premark Intl/Dec	PMI	n	50	13	50	21	46⅞	116	187	15	115	14.4	12.[illegible]
Premier Bancorp/Dec	PRBC	o	10	3	8	4	8	78	154	25	125	13.6	8.4
Premier Industrial/May	PRE	n	34	14	34	25	33⅞	30	113	16	116	26.7	21.9
Price Co/Aug	PCLB	o	65	24	65	44	48¾	8	94	-3	97	17.9	17.5
Primerica/Dec	PA	n	43	17	43	27	39⅜	35	117	0	100	9.2	8.6
Procter & Gamble/June	PG	n	107	30	107	76	100½	22	106	7	107	20.2	19.3
Progressive/Dec	PGR	n	62	22	62	44	47⅞	-16	73	-11	89	39.3	13.8
Provident Life & Acc/Dec	PACCB	o	30	11	25	17	22½	-1	86	-3	97	8.9	7.5
Public Service Colo/Dec	PSR	n	27	17	27	21	26¼	15	100	-3	97	10.6	10.9
Public Service NH/Dec	PCNHQ	o	NA	NA	NA	NA	19⅛	NA	NA	4	104	NA	NA
Pub Svc Enterprise/Dec	PEG	n	30	20	30	25	26⅞	0	86	-9	91	11.1	10.8
Puget Sound Bancorp/Dec	PSNB	o	39	13	39	20	38⅜	90	164	49	149	14.0	13.1
Puget Sound P&L/Dec	PSD	n	27	18	27	21	24⅜	14	99	-8	92	11.1	11.0
Quaker Oats†/June	OAT	n	76	28	76	51	58⅞	16	101	-21	79	17.7	16.5
Quantum Chemical†/Dec	CUE	n	105	8	17	9	15⅜	3	90	24	124	NM	NM
Questar/Dec	STR	n	25	13	25	18	18¾	3	89	-12	88	11.5	11.2
Ralston Purina/Sep	RAL	n	60	29	60	48	52⅝	-6	81	-7	93	15.9	14.1
Raytheon/Dec	RTN	n	47	29	47	37	46¼	14	99	11	111	10.3	9.6
Reader's Digest Assn/June	RDA	n	50*	21*	50	31	47½	51	131	-2	98	25.8	24.4
Reebok International/Dec	RBK	n	36	7	36	21	32⅜	42	123	-2	98	13.7	11.7
Reliance Group/Dec	REL	n	12	4	7	4	5⅛	-16	72	24	124	NM	14.7
Republic New York/Dec	RNB	n	48	24	48	37	40⅞	12	97	-13	87	10.4	9.6
Reynolds Metals/Dec	RLM	n	70	28	65	46	57½	-2	85	5	105	22.1	21.5

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net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
0.2%	$0.05	$0.05	$1.92	NM	3	low	$0.80	3.3%	NM	NM
def	–1.03	–1.03	0.22	D-P	3	very low	none	NA	NA	NA
1.6	1.97	1.97	5.01	154%	28	average	2.64	3.9	134%	16%
13.6	4.01	4.01	4.19	4	18	very high	3.20	6.5	80	4
2.8	1.73	1.73	1.60	–8	20	very low	3.00	6.9	173	3
def	–2.79	–2.79	NA	NA	NA	NA	none	NA	NA	NA
6.3	2.15	2.05	2.31	13	10	average	1.76	6.8	82	4
5.5	1.35	1.35	1.78	32	28	high	0.48	1.5	36	20
5.4	0.95	0.39	1.03	164	12	high	0.24	1.3	25	NA
10.4	2.13	2.13	3.21	51	40	high	1.48	2.1	69	10
11.2	7.86	7.86	7.39	–6	23	low	3.00	3.6	38	80
2.4	2.81	2.93E	3.17	8	4	high	1.20	3.5	43	1
13.4	2.15	2.15	2.24	4	23	average	1.30	5.3	60	–16
8.2	4.24	4.24	5.55	31	34	very high	2.10	2.7	50	25
0.8	0.38	0.38	1.38	263	35	low	1.12	4.7	NM	19
3.5	1.71	1.71	2.15	26	6	average	0.12	0.4	7	0
def	–2.15	–2.15	1.57	D-P	17	low	none	NA	NA	NA
9.6	3.57	3.44	3.78	10	9	average	1.16	1.7	32	6
8.9	3.69	3.69	4.08	11	15	high	1.56	2.3	42	15
def	–0.77	–0.77	1.59	D-P	10	average	0.20	1.3	NM	0
8.9	3.95	3.95	4.31	9	29	high	2.12	4.3	54	10
33.0	12.54	12.54	2.41	–81	16	average	0.60	2.0	5	0
11.5	2.21	2.21	2.55	15	13	high	none	NA	NA	NA
13.5	1.87	1.87	1.96	5	24	average	1.60	7.0	86	12
3.6	1.90	1.90	3.30	74	19	average	1.84	3.0	97	12
3.6	3.25	3.25	3.79	17	10	average	0.84	1.8	26	27
3.9	0.59	0.59	0.95	61	1	NM	none	NA	NA	NA
11.6	1.27	1.35E	1.55	15	9	average	0.48	1.4	38	22
2.0	2.73	2.68	2.78	4	16	average	none	NA	NA	NA
7.2	4.27	4.27	4.57	7	16	average	0.50	1.3	12	17
6.3	4.98	4.92	5.21	6	19	high	2.00	2.0	40	12
2.2	1.22	1.22	3.47	184	11	low	0.56	1.2	46	14
4.1	2.53	2.53	3.00	19	15	average	1.00	4.4	40	10
8.3	2.48	2.48	2.41	–3	18	average	2.00	7.6	81	0
9.8	NA	NA	NA	NA	NA	NA	none	NA	NA	NA
10.7	2.43	2.43	2.49	2	24	average	2.16	8.0	89	2
9.8	2.75	2.75	2.94	7	8	very high	1.04	2.7	38	3
13.9	2.21	2.21	2.24	1	14	high	1.76	7.1	80	0
4.6	3.32	3.05	3.58	17	28	very high	1.72	2.9	52	16
def	–4.26	–4.26	–1.33	D-D	19	very low	none	NA	NA	NA
10.1	1.63	1.63	1.67	2	10	average	1.02	5.4	63	1
5.2	3.31	3.34	3.74	12	26	high	1.20	2.3	36	14
6.4	4.48	4.48	4.85	8	26	very high	1.30	2.8	29	10
9.0	1.84	1.74	1.95	12	15	high	1.00	2.1	54	NA
8.6	2.37	2.37	2.77	17	12	average	0.30	0.9	13	6
def	–2.00	–2.00	0.35	D-P	2	NM	0.32	6.2	NM	12
9.0	3.95	3.95	4.25	8	10	very high	1.00	2.4	25	5
2.7	2.60	2.60	2.67	3	30	very low	1.80	3.1	69	26

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Rhône-Poulenc Rorer/Dec	RPR	n	69	10	69	39	57⅛	40%	121	–12%	88	24.1	18.7
Riggs National/Dec	RIGS	o	34	4	12	4	7⅛	–25	65	85	185	NM	31.5
Rite Aid/Feb	RAD	n	24	14	24	17	20⅜	–5	82	–4	96	14.4	12.6
RJR Nabisco/Dec	RN	n	13*	6*	13	9	9¾	–19	70	–9	91	44.3	16.0
Roadway Services/Dec	ROAD	o	77	23	77	46	74½	56	135	21	121	22.8	19.9
Rochester Community/Nov	RCSB	o	19	5	11	5	8⅛	0	87	35	135	NM	8.1
Rochester Telephone/Dec	RTC	n	46	19	34	28	31¼	11	96	–3	97	13.2	15.1
Rockwell Intl/Sep	ROK	n	31	14	28	24	25¾	–5	83	–6	94	10.3	10.3
Rohm & Haas/Dec	ROH	n	53	24	52	35	51¼	11	96	18	118	20.9	17.3
Rouse/Dec	ROUS	o	30	11	22	14	14¾	–21	68	–20	80	NM	11.4
Rubbermaid/Dec	RBD	n	38	10	38	24	32⅞	33	115	–14	86	32.2	28.1
Russell/Dec	RML	n	40	11	40	22	36⅜	52	131	2	102	26.4	17.8
Ryder System/Dec	R	n	43	12	25	16	24½	43	124	21	121	NM	18.6
Ryland Group/Dec	RYL	n	33	10	28	17	25⅛	26	109	8	108	47.4	13.2
Safeco/Dec	SAFC	o	50	23	50	36	47⅛	24	108	–3	97	11.4	11.4
Safety-Kleen/Dec	SK	n	38	15	37	22	23¾	–26	64	–8	92	26.4	21.6
Safeway/Dec	SWY	n	22*	10*	22	15	16¾	–8	80	–6	94	24.3	12.0
St Jude Medical/Dec	STJM	o	56	4	56	40	46¾	4	90	–16	84	26.7	21.5
St Paul Bancorp/Dec	SPBC	o	20*	6*	17	10	16¼	38	120	23	123	7.2	7.3
St Paul Cos/Dec	SPK	n	76	38	76	57	71⅝	6	92	–2	98	7.7	8.9
Sallie Mae/Dec	SLM	n	76	24	76	48	64⅞	33	115	–12	88	18.3	14.7
Salomon/Dec	SB	n	40	17	37	21	28½	5	91	–7	93	7.3	8.2
San Diego G&E/Dec	SDO	n	46	28	46	37	43¼	–4	83	–4	96	12.3	12.3
Santa Fe Pacific†/Dec	SFX	n	65	5	14	7	12½	72	149	–11	89	23.2	14.7
Sara Lee/June	SLE	n	58	13	58	38	51⅞	33	115	–10	90	17.8	21.3
Scana/Dec	SCG	n	44	27	44	36	39⅛	9	94	–12	88	11.6	11.4
SCEcorp/Dec	SCE	n	47	28	47	38	41¾	7	92	–11	89	13.0	11.4
Schering-Plough/Dec	SGP	n	68	16	68	47	56¾	16	100	–14	85	18.9	16.0
Charles Schwab/Dec	SCH	n	37*	4*	37	12	36⅝	196	256	21	121	28.8	21.4
Scott Paper/Dec	SPP	n	53	28	45	30	42⅜	9	94	22	121	NM	16.2
EW Scripps/Dec	SSP	n	27*	13*	27	19	24¾	25	109	3	103	28.5	22.3
Seagate Technology/June	SGAT	o	46	6	20	7	15⅛	7	93	66	166	NM	NM
Sears, Roebuck/Dec	S	n	60	22	48	32	47¼	45	125	25	125	12.7	10.7
Security Pacific/Dec	SPC	n	55	17	40	21	39½	67	145	32	132	NM	13.4
Sequa/Dec	SQAA	n	88	39	60	39	43¼	–27	64	1	101	NM	15.6
Service Corp Intl/Dec	SRV	n	32	13	28	21	27¼	9	94	1	101	17.7	15.8
Service Merchandise†/Dec	SME	n	18	2	16	7	15½	100	173	44	144	13.6	11.1
SFFed Corp/Dec	SFFD	o	22	4	12	7	11½	24	108	23	123	6.1	5.6
Shaw Industries/June	SHX	n	29	3	29	12	26½	106	178	51	151	42.7	27.3
Shawmut National/Dec	SNC	n	32	3	16	4	15⅝	166	230	69	169	NM	36.4
Sherwin-Williams/Dec	SHW	n	30	10	30	21	28¾	32	115	7	107	19.8	17.2
ShopKo Stores/Feb	SKO	n	NA	NA	17*	12*	16⅜	NA	NA	27	127	7.0	10.3
Sigma-Aldrich/Dec	SIAL	o	54	15	54	34	42½	23	107	–20	80	26.6	23.0
Signet Banking/Dec	SBK	n	43	7	31	12	28⅞	129	198	26	126	NM	10.3
Smith's Food & Drug/Dec	SFD	n	44*	21*	44	30	38⅜	–3	84	11	111	23.3	20.5
Snap-on Tools/Dec	SNA	n	47	24	40	28	39¼	25	108	21	121	22.4	16.9
Society/Dec	SOCI	o	60	24	60	38	57	52	132	15	115	11.6	10.9
Society for Savings/Dec	SOCS	o	24	3	10	5	10¼	52	132	64	164	NM	20.5

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. ‡Earnings reported after Mar. 20, 1992. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
8.5%	$2.37	$2.37	$3.05	29%	11	average	$0.56	1.0%	24%	6%
def	–4.79	–4.79	0.25	D-P	1	NM	none	NA	NA	NA
3.2	1.43	1.43‡	1.64	15	12	high	0.55	2.7	40	10
2.5	0.22	0.22	0.61	177	25	average	none	NA	NA	NA
4.0	3.27	3.27	3.74	14	15	average	1.20	1.6	37	3
def	–2.24	–2.24	1.00	D-P	2	NM	none	NA	NA	NA
10.4	2.36	2.36	2.07	–12	15	high	1.54	4.9	65	3
5.0	2.51	2.57	2.50	–3	22	average	0.92	3.6	37	7
5.9	2.45	2.45	2.97	21	22	average	1.24	2.4	51	9
0.4	0.05	0.05	1.30	NM	2	NM	0.60	4.1	NM	7
9.8	1.02	1.02	1.17	15	17	very high	0.34	1.0	33	18
7.1	1.38	1.38	2.05	49	17	average	0.32	0.9	23	14
0.3	0.05	0.05	1.32	NM	16	average	0.60	2.4	NM	3
0.8	0.53	0.53	1.90	258	11	low	0.60	2.4	113	16
8.2	4.14	4.14	4.14	0	25	average	1.48	3.1	36	14
7.4	0.90	0.90	1.10	22	23	average	0.34	1.4	38	19
0.5	0.69	0.69	1.40	103	11	high	none	NA	NA	NA
40.0	1.75	1.75	2.17	24	18	high	none	NA	NA	NA
7.9	2.26	2.26	2.24	–1	7	average	0.40	2.5	18	39
9.3	9.35	9.35	8.03	–14	24	average	2.72	3.8	29	11
10.6	3.55	3.55	4.41	24	19	average	1.00	1.5	28	52
5.5	3.90	3.90	3.48	–11	6	low	0.64	2.2	16	0
11.6	3.53	3.53	3.53	0	17	high	2.88	6.7	82	2
4.1	0.54	0.54	0.85	57	16	average	0.10	0.8	19	0
5.6	2.91	2.15	2.44	13	26	very high	1.00	1.9	34	19
11.8	3.37	3.37	3.43	2	16	high	2.68	6.8	80	3
9.4	3.21	3.21	3.65	14	26	very high	2.72	6.5	85	6
17.9	3.01	3.01	3.55	18	37	very high	1.32	2.3	44	24
6.2	1.27	1.27	1.71	35	5	average	0.16	0.4	13	NA
def	–0.95	–0.95	2.62	D-P	24	average	0.80	1.9	NM	10
5.0	0.87	0.87	1.11	28	5	average	0.40	1.6	46	38
def	–0.19	0.95	0.10	–89	16	very low	none	NA	NA	NA
2.2	3.71	3.71	4.41	19	18	average	2.00	4.2	54	0
def	–6.37	–6.37	2.95	D-P	14	low	none	NA	NA	NA
def	–1.02	–1.02	2.77	D-P	2	NM	0.60	1.4	NM	0
11.4	1.54	1.54	1.73	12	9	average	0.56	2.1	36	12
2.2	1.14	1.14	1.40	23	11	average	none	NA	NA	NA
4.5	1.89	1.89	2.05	8	4	average	none	NA	NA	NA
2.2	0.62	0.58	0.97	67	11	average	0.30	1.1	48	16
def	–2.35	–2.35	0.43	D-P	16	very low	none	NA	NA	NA
5.0	1.45	1.45	1.67	15	13	high	0.44	1.5	30	10
3.1	2.35	2.35‡	1.59	–32	4	high	0.44	2.7	NA	NA
13.5	1.60	1.60	1.85	16	13	very high	0.25	0.6	16	9
def	–0.95	–0.95	2.80	D-P	10	low	0.80	2.8	NM	–13
2.0	1.65	1.65	1.87	13	11	average	0.44	1.1	27	NA
8.3	1.75	1.75	2.32	33	17	average	1.08	2.8	62	11
10.1	4.90	4.90	5.21	6	15	average	1.96	3.4	40	13
def	–5.42	–5.42	0.50	D-P	1	NM	none	NA	NA	NA

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Sonat/Dec	SNT	n	56	22	47	29	30¾	-30%	61	-7%	93	20.0	14.4
Sonoco Products/Dec	SONO	o	43	18	43	29	37½	3	89	9	109	17.1	15.2
Southern Co/Dec	SO	n	35	18	35	26	31⅞	14	99	-7	93	11.5	11.3
Southern Natl/Dec	SNB	n	16	8	16	11	13⅜	22	105	-4	96	9.8	9.1
So New Eng Telecom/Dec	SNG	n	47	22	35	29	30⅜	-8	79	-4	96	14.8	12.2
SouthTrust/Dec	SOTR	o	26	9	26	12	21¾	76	152	-13	87	10.2	9.3
Southwest Airlines/Dec	LUV	n	42	8	42	22	38¼	51	131	12	112	60.7	21.4
Southwest Gas/Dec	SWX	n	27	9	18	9	12½	-24	66	18	118	NM	9.7
Southwestern Bell/Dec	SBC	n	66	28	66	49	58¾	9	94	-9	91	15.3	14.2
Southwestern Pub Svc/Aug	SPS	n	34	22	34	28	30⅞	8	93	-10	90	12.5	12.1
Spiegel/Dec	SPGLA	o	27*	6*	21	11	14½	-11	77	9	109	43.9	16.5
Springs Industries/Dec	SMI	n	45	17	40	25	38⅛	47	128	21	121	24.9	14.4
Sprint/Dec	FON	n	46	12	32	21	22	-8	79	-7	93	13.1	11.3
Standard Fedl Bank/Dec	SFB	n	21	5	21	10	18⅞	96	170	3	103	9.0	7.2
Stanley Works/Dec	SWK	n	48	21	48	34	46⅛	30	113	13	113	20.0	16.7
Star Banc/Dec	STRZ	o	32	15	32	20	29½	39	120	18	118	13.2	12.4
State Street Boston/Dec	STBK	o	66	17	66	41	61¼	31	113	-5	95	16.5	15.6
Stone Container/Dec	STO	n	40	8	33	13	30½	130	199	18	118	NM	44.9
Stop & Shop Cos/Jan	SHP	n	NA	NA	18*	11*	15⅞	NA	NA	14	114	18.5	12.4
Storage Technology/Dec	STK	n	78	9	78	30	68¼	128	197	71	171	29.3	20.6
Stride Rite/Nov	SRR	n	32	3	32	19	27	41	122	-7	93	21.1	17.7
Stryker/Dec	STRY	o	52	4	52	19	37¾	99	172	-25	75	53.9	41.5
Sumitomo Bank Calif/Dec	SUMI	o	35	18	33	20	25¼	-5	83	12	112	4.9	7.1
Summit Bancorp/Dec	SUBN	o	30	8	17	11	15½	38	119	27	126	15.5	12.9
Sun Co†/Dec	SUN	n	73	26	35	26	27¾	-16	73	-9	91	NM	14.3
Sun Microsystems/June	SUNW	o	39	11	39	21	30⅜	2	88	7	107	15.7	15.2
Sundstrand/Dec	SNS	n	47	18	47	28	44¼	44	125	20	120	14.7	13.1
SunTrust Banks/Dec	STI	n	40	17	40	26	38¼	40	122	-4	96	13.2	12.2
Sunwest Financial/Dec	SFSI	o	34	10	34	13	31⅛	139	207	54	154	23.8	18.0
Super Food Services/Aug	SFS	n	22	10	18	11	11¼	-31	60	-24	76	10.8	9.3
Super Valu Stores/Feb	SVU	n	30	16	30	24	25¼	-8	80	-7	93	9.2	10.8
Surgical Care Affils/Dec	SCAF	o	46	1	46	19	40	104	177	-9	91	70.2	51.3
Sysco/June	SYY	n	48	11	48	35	45½	29	112	-2	98	26.2	24.2
T2 Medical/Sep	TSOM	o	68*	5*	68	21	47½	89	164	-18	82	42.0	32.5
Tambrands/Dec	TMB	n	71	22	71	50	64⅛	27	110	-4	96	33.4	20.6
Tandem Computers/Sep	TDM	n	38	9	18	10	12½	0	87	11	111	NM	30.5
Tandy/June	TAN	n	57	23	37	23	29⅞	-4	84	3	103	13.6	11.0
TCF Financial/Dec	TCB	n	22*	6*	22	13	20¼	53	132	5	104	13.4	8.0
TECO Energy/Dec	TE	n	42	20	42	33	38	15	100	-9	91	14.9	14.2
Tele-Communications/Dec	TCOMA	o	22	8	18	13	17	12	97	0	100	NM	NM
Teledyne†/Dec	TDY	n	78	12	27	17	26⅞	22	106	37	137	NM	14.3
Temple-Inland/Dec	TIN	n	58	18	58	35	55¾	51	131	8	108	22.2	15.2
Tenneco/Dec	TGT	n	71	27	47	27	39⅛	-11	77	25	125	NM	15.4
Texaco†/Dec	TX	n	70	23	70	56	57	-11	77	-7	93	12.4	13.3
Texas Instruments/Dec	TXN	n	80	23	48	26	34¼	-9	79	11	111	NM	17.6
Texas Utilities/Dec	TXU	n	43	25	43	34	38¼	4	90	-8	92	NM	10.9
Textron/Dec	TXT	n	40	17	40	29	38⅛	22	106	-4	96	11.2	9.9
Time Warner/Dec	TWX	n	183	66	125	78	103⅜	0	86	18	118	NM	NM

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. ‡Earnings reported after Mar. 20, 1992. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
4.6%	$1.54	$1.54	$2.14	39%	18	average	$2.00	6.5%	130%	0%
5.6	2.20	2.20	2.46	12	14	average	0.92	2.5	42	18
10.9	2.78	2.78	2.82	1	26	high	2.20	6.9	79	0
8.5	1.36	1.36	1.47	8	5	average	0.48	3.6	35	19
7.7	2.06	2.06	2.50	21	17	average	1.76	5.8	85	6
9.7	2.13	2.13	2.33	9	7	very high	0.78	3.6	37	9
2.0	0.63	0.63	1.79	184	22	low	0.10	0.3	16	3
def	–0.76	–0.76	1.29	D-P	4	average	0.70	5.6	NM	–4
12.4	3.85	3.85	4.15	8	30	high	2.84	4.8	74	5
14.9	2.48	2.63	2.55	–3	9	average	2.20	7.1	89	1
0.9	0.33	0.33	0.88	167	9	low	0.36	2.5	109	13
1.4	1.53	1.53	2.65	73	11	average	1.20	3.1	78	9
4.2	1.68	1.68	1.94	15	27	average	1.00	4.5	60	1
7.5	2.11	2.11	2.64	25	10	average	0.44	2.3	21	19
4.8	2.31	2.31	2.76	19	17	average	1.24	2.7	54	10
10.0	2.24	2.24	2.38	6	5	very high	1.04	3.5	46	9
10.7	3.72	3.72	3.92	5	16	average	0.84	1.4	23	17
def	–0.79	–0.79	0.68	D-P	19	very low	0.72	2.4	NM	29
0.6	0.86	0.86	1.28	49	3	average	none	NA	NA	NA
5.9	2.33	2.33	3.31	42	12	high	none	NA	NA	NA
11.5	1.28	1.28	1.53	20	5	high	0.30	1.1	23	34
9.1	0.70	0.70	0.91	30	19	average	0.05	0.1	7	NA
8.3	5.20	5.20	3.55	–32	2	NM	1.60	6.3	31	15
6.0	1.00	1.00	1.20	20	3	average	0.80	5.2	80	3
def	–3.65	–3.65	1.94	D-P	24	low	1.80	6.5	NM	–13
5.8	1.94	1.85	2.00	8	31	average	none	NA	NA	NA
6.5	3.02	3.02	3.39	12	15	average	1.10	2.5	36	5
11.0	2.90	2.90	3.13	8	28	high	1.00	2.6	34	5
3.9	1.31	1.31	1.73	32	3	very high	none	NA	NA	NA
0.6	1.04	1.13	1.21	7	9	low	0.34	3.0	33	10
1.9	2.75	2.08£	2.34	13	15	high	0.72	2.9	26	9
12.2	0.57	0.57	0.78	37	16	average	0.11	0.3	19	NA
1.9	1.74	1.67	1.88	13	21	very high	0.40	0.9	23	18
23.5	1.13	1.02	1.46	43	10	average	none	NA	NA	NA
12.0	1.92	1.92	3.11	62	14	very high	1.36	2.1	71	8
def	–0.62	0.33	0.41	24	22	very low	none	NA	NA	NA
3.9	2.20	2.58	2.72	5	24	average	0.60	2.0	27	5
2.7	1.51	1.51	2.52	67	5	high	0.40	2.0	26	35
12.6	2.55	2.55	2.67	5	21	high	1.72	4.5	67	7
def	–0.28	–0.28‡	0.10	D-P	8	very low	none	NA	NA	NA
def	–0.46	–0.46	1.88	D-P	7	low	0.80	3.0	NM	0
5.5	2.51	2.51	3.68	47	20	average	0.96	1.7	38	27
def	–6.09	–6.09	2.54	D-P	19	low	1.60	4.1	NM	–9
3.5	4.61	4.61	4.30	–7	33	low	3.20	5.6	69	10
def	–5.40	–5.40	1.95	D-P	23	very low	0.72	2.1	NM	2
def	–1.98	–1.98	3.52	D-P	26	average	3.04	7.9	NM	2
3.8	3.42	3.42	3.87	13	12	high	1.12	2.9	33	1
def	–9.60	–9.60	–5.05	D-D	21	low	1.00	1.0	NM	0

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
Times Mirror/Dec	TMC	n	53	21	38	26	36⅞	28%	111	19%	119	57.6	24.1
Timken/Dec	TKR	n	41	20	30	21	27¼	9	94	15	115	NM	32.4
TJX Cos†/Jan	TJX	n	37	9	20	14	19⅛	20	104	13	113	66.0	14.6
Torchmark/Dec	TMK	n	62	22	62	47	59⅜	10	96	3	103	12.6	11.5
Tosco/Dec	TOS	n	31	6	31	18	29	35	117	13	113	12.1	8.7
Toys 'R' Us/Jan	TOY	n	39	10	39	25	34⅞	35	117	6	106	30.3	23.4
Transamerica/Dec	TA	n	52	23	44	31	43⅞	24	107	10	110	38.5	11.9
Transco Energy/Dec	E	n	50	11	36	11	12⅝	-59	35	-34	66	NM	10.4
Travelers/Dec	TIC	n	51	12	25	17	20⅛	-12	76	-7	93	7.0	7.8
Tribune/Dec	TRB	n	63	30	48	35	46⅛	12	97	13	112	23.8	20.1
Trinova/Dec	TNV	n	44	15	28	15	24⅜	7	93	25	125	NM	32.8
Trustmark/Dec	TRMK	o	31	17	31	19	30	58	137	24	124	10.7	9.7
TRW/Dec	TRW	n	70	31	47	35	46⅜	19	103	10	110	NM	15.4
Turner Broadcasting/Dec	TBSA	a	28	3	28	13	24½	85	160	6	106	NM	54.4
Turner Corp/Dec	TUR	a	29	6	16	6	10⅛	-30	61	62	162	4.9	NA
TW Holdings/Dec	TWFS	o	6*	2*	5	2	4¼	10	95	42	142	NM	NM
20th Century Inds/Dec	TW	n	26	7	26	17	19¾	10	95	-5	95	9.8	9.8
Tyco Laboratories/June	TYC	n	66	16	51	28	37⅞	-21	68	10	110	17.9	17.6
Tyson Foods/Sep	TYSNA	o	23	6	23	17	17⅛	-10	78	-15	85	16.0	14.9
UAL/Dec	UAL	n	294	56	162	117	151	7	93	4	104	NM	18.6
UJB Financial/Dec	UJB	n	33	7	19	10	18⅛	69	146	24	124	40.3	16.8
Unifi/June	UFI	n	38	5	38	20	35⅝	74	151	6	106	27.8	18.5
Union Bank/Dec	UBNK	o	34	14	27	17	22	-6	81	13	113	8.3	5.7
Union Camp/Dec	UCC	n	55	26	55	39	53⅜	36	118	8	108	29.8	21.2
Union Carbide/Dec	UK	n	33	14	25	16	25	42	123	23	123	NM	16.8
Union Electric/Dec	UEP	n	39	20	39	29	33⅛	11	96	-14	86	11.0	11.4
Union Pacific/Dec	UNP	n	52	23	52	36	48⅞	36	118	-6	94	NM	13.7
Union Planters/Dec	UPC	n	19	7	17	10	15½	55	134	8	108	9.8	8.4
Union Texas Petrol/Dec	UTH	n	25*	6*	21	16	17½	6	92	-14	86	6.8	14.1
Unisys/Dec	UIS	n	48	2	12	3	9⅜	84	159	139	239	NM	28.2
United HealthCare/Dec	UNH	n	93	3	93	37	80½	108	180	8	108	33.5	25.9
United Missouri Bcsh/Dec	UMSB	o	40	21	40	26	39¼	50	130	5	105	13.7	12.9
US Bancorp/Dec	USBC	o	24	9	24	17	22¾	28	111	2	102	11.3	9.9
US Healthcare/Dec	USHC	o	58	3	58	21	47¾	44	124	15	115	22.9	19.1
US Shoe/Jan	USR	n	35	7	18	10	17	43	124	33	133	19.3	14.4
US Surgical/Dec	USS	n	135	5	135	51	107¼	104	177	-3	97	67.9	46.8
US Trust/Dec	USTC	o	49	26	46	34	43¼	20	104	1	101	13.0	11.9
United Technologies/Dec	UTX	n	63	30	57	42	53⅜	14	99	-1	99	NM	11.8
Unitrin/Dec	UNIT	o	42*	25*	42	31	33½	-11	77	-6	94	13.0	12.6
Universal†/June	UVV	n	34	11	34	14	27⅞	110	182	-11	89	13.0	13.3
Unocal/Dec	UCL	n	35	11	29	21	21¼	-19	70	-9	91	68.6	21.3
UNUM/Dec	UNM	n	41	8	41	29	37⅛	26	109	-8	92	12.1	11.5
Upjohn/Dec	UPJ	n	54	23	49	38	39	-17	72	-5	95	13.2	12.2
US West/Dec	USW	n	41	21	40	33	33⅞	-13	75	-11	89	24.6	11.1
USAir Group/Dec	U	n	55	7	21	7	17⅞	-8	80	47	147	NM	NM
USF&G/Dec	FG	n	47	6	13	6	8⅞	-7	81	22	122	NM	NM
USG†/Dec	USG	n	58	¾	3	1	1½	-40	52	-8	92	NM	NA
Uslico/Dec	USC	n	28	15	21	17	17⅞	-3	84	-3	97	17.2	8.6

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of special distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
2.3%	$0.64	$0.64	$1.53	139%	22	average	$1.08	2.9%	169%	4%
def	–1.21	–1.21	0.84	D-P	8	low	1.00	3.7	NM	20
0.7	0.29	0.29	1.31	352	18	average	0.46	2.4	159	8
12.8	4.70	4.70	5.16	10	18	high	1.60	2.7	34	12
3.8	2.39	2.39	3.35	40	7	low	0.60	2.1	25	NA
5.5	1.15	1.15	1.49	30	29	average	none	NA	NA	NA
1.5	1.14	1.14	3.70	225	20	average	2.00	4.6	175	4
def	–6.58	–6.58	1.22	D-P	20	low	0.60	4.8	NM	–7
2.7	2.87	2.87	2.59	–10	25	low	1.60	7.9	56	–4
7.0	1.94	1.94	2.29	18	18	average	0.96	2.1	49	16
def	–6.52	–6.52	0.75	D-P	23	very low	0.68	2.8	NM	9
7.9	2.81	2.81	3.08	10	3	average	1.06	3.5	38	10
def	–2.30	–2.30	3.01	D-P	20	average	1.80	3.9	NM	8
2.9	0.06	0.06	0.45	NM	4	low	0.05	0.2	83	NA
0.4	2.06	2.06	NA	NA	NA	NA	none	NA	NA	NA
def	–0.61	–0.61	–0.36	D-D	4	very low	none	NA	NA	NA
11.4	2.02	2.02	2.01	0	10	average	0.52	2.6	26	29
3.2	2.12	2.57	2.15	–16	9	high	0.36	1.0	17	16
3.7	1.07	1.05	1.15	10	11	very high	0.04	0.2	4	12
def	–14.31	–14.31	8.13	D-P	19	very low	none	NA	NA	NA
1.8	0.45	0.45	1.08	140	11	low	0.60	3.3	133	–4
4.7	1.28	1.57	1.93	23	8	high	0.60	1.7	47	NA
5.7	2.64	2.64	3.89	47	5	average	1.40	6.4	53	11
4.2	1.80	1.80	2.53	41	25	low	1.56	2.9	87	9
def	–0.22	–0.22	1.49	D-P	25	low	1.00	4.0	NM	–9
15.3	3.01	3.01	2.91	–3	18	high	2.24	6.8	74	4
0.9	0.31	0.31	3.58	NM	18	high	1.36	2.8	NM	7
6.9	1.59	1.59	1.84	16	5	high	0.60	3.9	38	16
28.6	2.59	2.59	1.24	–52	6	average	0.20	1.1	8	0
def	–9.37	–9.37	0.35	D-P	13	very low	none	NA	NA	NA
9.1	2.40	2.40	3.11	30	9	high	0.03	0.0	1	NA
9.9	2.86	2.86	3.04	6	4	very high	0.80	2.0	28	8
9.8	2.01	2.01	2.29	14	23	average	0.76	3.3	38	17
9.1	2.09	2.09	2.50	20	16	average	0.56	1.2	27	38
1.5	0.88	0.88	1.18	34	4	average	0.52	3.1	59	4
10.8	1.58	1.58	2.29	45	22	high	0.30	0.3	19	25
7.7	3.32	3.32	3.63	9	5	high	1.72	4.0	52	14
def	–8.91	–8.91	4.55	D-P	25	average	1.80	3.4	NM	7
10.9	2.58	2.58	2.65	3	3	average	1.00	3.0	39	NA
2.4	2.14	1.72	2.09	22	8	high	0.80	2.9	37	9
0.8	0.31	0.31	1.00	223	35	low	0.70	3.3	NM	12
8.5	3.08	3.08	3.23	5	16	high	0.66	1.8	21	27
15.7	2.96	2.96	3.20	8	37	high	1.36	3.5	46	20
5.2	1.38	1.38	3.05	121	29	high	2.08	6.1	151	16
def	–7.62	–7.62	–2.14	D-D	18	very low	none	NA	NA	NA
def	–2.53	–2.53	–0.82	D-D	21	very low	0.20	2.3	NM	–28
def	–2.91	–2.91	NA	NA	NA	NA	none	NA	NA	NA
2.9	1.04	1.04	2.08	100	6	low	1.00	5.6	96	3

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1992 est
USLife/Dec	USH	n	48	23	48	37	45¼	20%	104	–5%	94	9.4	9.1
UST Inc/Dec	UST	n	34	5	34	21	28⅛	29	112	–14	86	23.8	20.4
USX-Marathon/Dec	MRO	n	NA	NA	33*	21*	21⅛	NA	NA	–14	86	NM	22.5
USX-US Steel/Dec	X	n	NA	NA	30*	20*	26¼	NA	NA	–4	96	NM	17.1
UtiliCorp United/Dec	UCU	n	29	13	29	22	26¾	18	102	–6	94	12.0	11.3
Valero Energy/Dec	VLO	n	33	5	33	20	29¾	38	119	0	100	13.1	10.7
Valley Bancorp/Dec	VYBN	o	32	17	32	21	31¾	49	129	11	111	12.7	10.7
Valley National/Dec	VNCP	o	42	9	36	19	35⅜	91	166	25	125	20.6	15.6
Varity/Jan	VAT	n	40	11	30	11	13	–53	41	–1	99	NM	31.0
VF/Dec	VFC	n	48	12	47	24	45½	90	164	15	115	16.6	15.1
Viacom/Dec	VIA	a	37*	5*	37	24	34⅞	39	120	2	102	NM	62.3
Vons Cos/Dec	VON	n	34	6	34	22	27	–11	77	14	114	17.3	14.1
Vulcan Materials/Dec	VMC	n	49	24	40	34	39⅜	15	100	9	109	28.5	16.6
Waban/Jan	WBN	n	26*	5*	26	14	25	72	149	41	141	24.8	19.4
Wachovia/Dec	WB	n	62	25	62	48	60	23	107	3	103	22.4	12.5
Wal-Mart Stores/Jan	WMT	n	60	10	60	37	53¼	43	124	–10	90	38.0	31.0
Walgreen/Aug	WAG	n	40	12	40	29	35⅞	7	92	–6	94	22.3	20.0
Wang Laboratories/June	WANB	a	19	2	8	2	6⅛	44	125	113	213	NM	NM
Warner-Lambert/Dec	WLA	n	82	24	80	62	64⅞	–11	77	–16	84	61.8	13.6
Washington Fedl S&L/Sep	WFSL	o	28	8	28	19	25¾	26	110	–3	97	11.6	10.6
Washington Mutual/Dec	WAMU	o	24	6	24	13	21⅜	66	144	–5	95	8.5	8.2
Washington Post/Dec	WPO	n	311	150	242	169	237½	6	91	22	122	23.8	21.6
Washington Water/Dec	WWP	n	34	22	34	30	32¾	10	95	–1	99	12.2	11.7
Waste Management/Dec	WMX	n	47	14	47	34	41⅜	11	96	–1	99	33.9	21.8
Weis Markets/Dec	WMK	n	42	24	34	25	26⅜	–11	78	5	105	14.7	12.7
Wells Fargo/Dec	WFC	n	99	38	99	53	68¾	–3	84	19	118	NM	11.2
West One Bancorp/Dec	WEST	o	40	14	40	27	38¾	41	122	23	123	13.2	10.5
Westinghouse/Dec	WX	n	39	14	31	14	19⅜	–31	59	9	109	NM	9.9
Westvaco/Oct	W	n	41	22	41	28	36½	27	110	–8	92	16.2	14.7
Wetterau/Mar	WETT	o	36	16	30	21	22¾	–21	69	–6	94	10.5	9.7
Weyerhaeuser/Dec	WY	n	40	17	38	23	36⅜	61	139	33	133	NM	22.3
Whirlpool/Dec	WHR	n	47	18	47	26	46⅜	73	150	19	119	18.9	15.6
Whitman†/Dec	WH	n	41	11	16	11	15	165	229	130	230	19.7	16.0
Whitney Holding/Dec	WTNY	o	64	14	27	14	25¾	29	112	37	137	NM	NA
Willamette Inds/Dec	WMTT	o	85	30	85	46	82	70	147	38	138	45.6	20.8
Williams Cos/Dec	WMB	n	45	20	41	30	35⅞	17	101	–7	93	15.3	14.1
Wilmington Trust/Dec	WILM	o	59	20	59	39	48¾	20	104	–16	84	12.0	10.9
Winn-Dixie Stores/June	WIN	n	45	19	45	34	42⅜	17	101	14	114	18.5	17.8
Wisconsin Energy/Dec	WEC	n	40	21	40	31	36⅜	10	95	–7	93	13.0	12.3
Witco/Dec	WIT	n	49	22	49	35	48¾	39	121	16	116	15.2	14.4
Woolworth/Jan	Z	n	37	15	34	24	31¼	2	89	18	118	NM	13.0
Worthington Inds/May	WTHG	o	26	10	26	15	23⅞	53	132	2	102	30.6	19.3
WPL Holdings/Dec	WPH	n	33	20	33	24	30⅞	19	103	–6	94	12.7	13.1
Wm Wrigley Jr/Dec	WWY	n	86	20	86	58	69¾	21	105	–14	86	21.2	19.3
Xerox/Dec	XRX	n	85	29	82	52	70⅞	44	125	12	112	19.7	13.1
Yellow Freight Sys/Dec	YELL	o	43	19	34	24	30⅛	7	92	14	114	32.0	16.5
York Intl/Dec	YRK	n	NA	NA	35*	23*	32⅛	NA	NA	24	124	57.4	15.3
Zions Bancorporation/Dec	ZION	o	50	19	50	36	48¼	33	115	12	112	10.1	9.2

*Range is for less than period indicated. †Prices as originally reported, adjusted for splits; performance includes value of spec.. distributions. NA: Not available. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. def: Deficit. Stock prices as of Mar. 20, 1992.

net profit margin	Earnings: latest 12-month EPS	1991 EPS	estimated 1992 EPS	% change '92 vs '91 EPS	number of analysts	confidence factor on estimate	Dividends: indicated rate	yield	payout	5-year growth rate
5.4%	$4.83	$4.83	$4.96	3%	13	average	$1.64	3.6%	34%	7%
30.2	1.18	1.18	1.38	17	22	high	0.80	2.8	68	14
def	-0.31	-0.31	0.94	D-P	29	low	1.40	6.6	NM	NA
def	-10.00	-10.00	1.54	D-P	17	very low	1.00	3.8	NM	0
6.8	2.23	2.23	2.37	6	10	high	1.60	6.0	72	14
9.8	2.28	2.28	2.79	22	17	average	0.36	1.2	16	34
8.1	2.51	2.51	2.96	18	4	very high	1.28	4.0	51	14
3.1	1.72	1.72	2.27	32	17	low	none	NA	NA	NA
def	-7.87	-7.87	0.42	D-P	9	very low	none	NA	NA	NA
5.5	2.75	2.75	3.02	10	13	average	1.08	2.4	39	8
def	-0.41	-0.41	0.56	D-P	9	low	none	NA	NA	NA
1.2	1.56	1.56	1.91	22	12	average	none	NA	NA	NA
5.2	1.38	1.38	2.37	72	10	average	1.20	3.0	87	10
1.1	1.01	1.01	1.29	28	13	average	none	NA	NA	NA
7.3	2.68	2.68	4.79	79	30	high	2.00	3.3	75	17
3.7	1.40	1.40	1.72	23	37	very high	0.21	0.4	15	30
2.9	1.61	1.58	1.79	13	17	very high	0.52	1.4	32	15
def	-2.28	-2.31	-0.05	D-D	7	very low	none	NA	NA	NA
2.8	1.05	1.05	4.78	355	38	very high	2.04	3.1	194	18
26.1	2.23	2.11	2.43	15	13	high	0.80	3.1	36	25
9.1	2.52	2.52	2.61	4	13	average	0.44	2.1	17	9
8.6	10.00	10.00	10.99	10	13	average	4.20	1.8	42	41
12.7	2.68	2.68	2.80	4	8	very high	2.48	7.6	93	0
8.0	1.23	1.23	1.91	55	40	high	0.44	1.1	36	24
6.2	1.81	1.81	2.10	16	2	NM	0.68	2.6	38	10
0.4	0.04	0.04	6.16	NM	31	low	2.00	2.9	NM	10
7.9	2.93	2.93	3.70	26	11	high	1.04	2.7	35	7
def	-3.46	-3.46	1.98	D-P	19	average	0.72	3.7	NM	2
6.5	2.26	2.10	2.48	18	21	average	1.10	3.0	49	11
0.9	2.16	2.05E	2.34	14	7	average	0.68	3.0	31	14
def	-0.50	-0.50	1.64	D-P	25	low	1.20	3.3	NM	5
2.5	2.45	2.45	2.98	22	14	average	1.10	2.4	45	0
3.4	0.76	0.76	0.94	24	11	average	0.24	1.6	32	-13
def	-0.73	-0.73	NA	NA	NA	NA	none	NA	NA	NA
2.3	1.80	1.80	3.95	119	18	low	1.68	2.0	93	12
5.2	2.35	2.35	2.55	9	15	average	1.52	4.2	65	1
16.7	4.07	4.07	4.46	10	6	very high	1.64	3.4	40	27
1.7	2.31	2.20	2.40	9	8	very high	1.20	2.8	52	6
12.3	2.81	2.81	2.97	6	23	high	1.86	5.1	66	7
4.5	3.21	3.21	3.39	6	10	high	1.84	3.8	57	10
def	-0.41	-0.41	2.40	D-P	18	average	1.08	3.5	NM	13
5.2	0.78	0.99E	1.24	25	10	average	0.48	2.0	62	15
10.0	2.43	2.43	2.35	-3	10	high	1.86	6.0	77	9
11.2	3.28	3.28	3.61	10	10	very high	1.65	2.4	50	30
2.5	3.91	3.91	5.85	50	13	average	3.00	3.9	77	0
1.1	0.95	0.95	1.84	94	14	low	0.94	3.1	99	11
0.8	0.56	0.56	2.10	275	2	NM	0.04	0.1	7	NA
8.5	4.78	4.78	5.23	9	3	very high	1.44	3.0	30	2

Sources: William O'Neil & Co.; Wilshire Associates; The Institutional Brokers Estimate System, a service of IBES, Inc. via Lotus One Source; Forbes.

Where to find the Forbes 500s

A

Abbott Laboratories
One Abbott Park Road
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CEO: Walter J Sanders III — 408-732-2400

AES
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Arlington, VA 22209 — Industrial services
CEO: Roger W Sant — 703-522-1315

Aetna Life & Casualty
151 Farmington Avenue
Hartford, CT 06156-3224 — Diversified insurance
CEO: Ronald E Compton — 203-273-0123

Affiliated Bankshares of Colorado
1125 17th Street
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CEO: George J Sella Jr — 201-831-20[illegible]

American Electric Power
One Riverside Plaza
Columbus, OH 43215 — Electric util-NC
CEO: Richard E Disbrow — 614-223-1000

American Express
American Express Tower
New York, NY 10285-4805 — Lease & finance
CEO: James D Robinson III — 212-640-2000

American General
PO Box 3247
Houston, TX 77253 — Life & health insurance
CEO: Harold S Hook — 713-522-1111

American Greetings
10500 American Road
Cleveland, OH 44144 — Publishing
CEO: Morry Weiss — 216-252-7300

American Home Products
685 Third Avenue
New York, NY 10017-4085 — Drugs
CEO: John R Stafford — 212-878-5000

American International Group
70 Pine Street
New York, NY 10270 — Diversified insurance
CEO: Maurice R Greenberg — 212-770-7000

American Medical Holding
PO Box 25651
Dallas, TX 75225-5651 — Health care services
CEO: Robert W O'Leary — 214-360-6300

American National Insurance
One Moody Plaza
Galveston, TX 77550-7999 — Life & health insurance
CEO: R L Moody — 409-763-4661

American President Cos Ltd
1111 Broadway
Oakland, CA 94607 — Trucking & shipping
CEO: John M Lillie — 510-272-8000

American Savings Bank
99 Church Street
White Plains, NY 10601 — Thrift
CEO: W Ronald Dietz — 914-287-2600

American Stores
PO Box 27447
Salt Lake City, UT 84127-0447 — Supermarkets
CEO: Jonathan L Scott — 801-539-0112

American Telephone & Telegraph
32 Avenue of the Americas
New York, NY 10013-2412 — Telecommunications
CEO: Robert E Allen — 212-219-6000

American Water Works
PO Box 1770
Voorhees, NJ 08043 — Electric util-NE
CEO: George W Johnstone — 609-346-8200

Ameritech
30 South Wacker Drive
Chicago, IL 60606 — Telecommunications
CEO: William L Weiss — 312-750-5000

Ames Department Stores
2418 Main Street
Rocky Hill, CT 06067-2598 — Drug & discount stores
CEO: Stephen L Pistner — 203-257-2000

Amgen
1840 Dehavilland Drive
Thousand Oaks, CA 91320-1789 — Biotech
CEO: Gordon M Binder — 805-499-5725

Amoco
PO Box 87703
Chicago, IL 60680-0703 — International oil
CEO: H Laurance Fuller — 312-856-6111

AMP
PO Box 3608
Harrisburg, PA 17105-3608 — Computer peripherals
CEO: Harold A McInnes — 717-564-0100

AMR
PO Box 619616
DFW Airport, TX 75261-9616 — Airline
CEO: Robert L Crandall — 817-967-1234

AmSouth Bancorporation
PO Box 11007
Birmingham, AL 35288 — Regional bank
CEO: John W Woods — 205-320-7151

Anchor Bancorp
1420 Broadway
Hewlett, NY 11557 — Thrift
CEO: James M Large Jr — 516-596-3900

Anheuser-Busch Cos
One Busch Place
St Louis, MO 63118-1852 — Beverages
CEO: August A Busch III — 314-577-2000

Aon
123 North Wacker Drive
Chicago, IL 60606 — Diversified insurance
CEO: Patrick G Ryan — 312-701-3000

Apple Computer
20525 Mariani Avenue
Cupertino, CA 95014 — Computer systems
CEO: John Sculley — 408-996-1010

Archer Daniels Midland
PO Box 1470
Decatur, IL 62525 — Food processing
CEO: Dwayne O Andreas — 217-424-5200

Argonaut Group
1800 Avenue of the Stars
Los Angeles, CA 90067 — Property & casualty ins
CEO: Charles E Rinsch — 310-553-0561

Arkla
PO Box 21734
Shreveport, LA 71151 — Integrated gas
CEO: Thomas F McLarty III — 318-429-2700

Armco
300 Interpace Parkway
Parsippany, NJ 07054-0324 — Steel
CEO: Robert L Purdum — 201-316-5200

Armstrong World Industries
PO Box 3001
Lancaster, PA 17604 — Home furnishings
CEO: William W Adams — 717-397-0611

Arvin Industries
PO Box 3000
Columbus, IN 47202-3000 — Auto parts
CEO: James K Baker — 812-379-3000

Asarco
180 Maiden Lane
New York, NY 10038 — Nonferrous metals
CEO: Richard de J Osborne — 212-510-2000

Ashland Oil
PO Box 391
Ashland, KY 41114 — Miscellaneous energy
CEO: John R Hall — 606-329-3333

AST Research
PO Box 19658
Irvine, CA 92713-9658 — Computer systems
CEO: Safi U Qureshey — 714-727-4141

Atlantic Energy
PO Box 1264
Pleasantville, NJ 08232 — Electric util-NE
CEO: E Douglas Huggard — 609-645-4500

Atlantic Richfield
515 South Flower Street
Los Angeles, CA 90071-2256 — Miscellaneous energy
CEO: Lodwrick M Cook — 213-486-3511

Automatic Data Processing
One ADP Boulevard
Roseland, NJ 07068-1728 — Business services
CEO: Josh S Weston — 201-994-5000

AutoZone
3030 Poplar Avenue
Memphis, TN 38111 — Specialty retailing
CEO: J R Hyde III — 901-325-4600

Avery Dennison
PO Box 7090
Pasadena, CA 91109-7090 — Business supplies
CEO: Charles D Miller — 818-304-2000

Avnet
80 Cutter Mill Road
Great Neck, NY 11021 — Computer peripherals
CEO: Leon Machiz — 516-466-7000

Avon Products
9 West 57th Street
New York, NY 10019 — Personal products
CEO: James E Preston — 212-546-6015

B

Baker Hughes
PO Box 4740
Houston, TX 77210-4740 — Oilfield services
CEO: James D Woods — 713-439-8600

Ball Corp
PO Box 2407
Muncie, IN 47307-0407 — Packaging
CEO: Delmont A Davis — 317-747-6100

Bally Manufacturing
8700 West Bryn Mawr Avenue
Chicago, IL 60631 — Hotels & recreation
CEO: Arthur M Goldberg — 312-399-1300

Baltimore Bancorp
PO Box 896
Baltimore, MD 21203 — Regional bank
CEO: Charles H Whittum Jr — 301-244-3360

Baltimore Gas & Electric
PO Box 1475
Baltimore, MD 21203-1475 — Electric util-NE
CEO: George V McGowan — 410-234-5000

Banc One
100 East Broad Street
Columbus, OH 43271-0251 — Regional bank
CEO: John B McCoy — 614-248-5944

Bancorp Hawaii
PO Box 2900
Honolulu, HI 96846-9972 — Regional bank
CEO: H Howard Stephenson — 808-537-8111

Bandag
Bandag Center
Muscatine, IA 52761-5886 — Auto parts
CEO: Martin G Carver — 319-262-1400

Bank of Boston
100 Federal Street
Boston, MA 02110 — Multinational bank
CEO: Ira Stepanian — 617-434-2200

Bank of New York
48 Wall Street
New York, NY 10286 — Regional bank
CEO: John Carter Bacot — 212-495-1784

Bank South
PO Box 5092
Atlanta, GA 30302 — Regional bank
CEO: Patrick L Flinn — 404-529-4111

BankAmerica
Box 37000
San Francisco, CA 94137 — Multinational bank
CEO: Richard M Rosenberg — 415-622-3456

Bankers Trust New York
280 Park Avenue
New York, NY 10017 — Multinational bank
CEO: Charles S Sanford Jr — 212-250-2500

BanPonce
GPO Box G-3108
San Juan, PR 00936 — Regional bank
CEO: Alberto M Paracchini — 809-754-9400

CR Bard
730 Central Avenue
Murray Hill, NJ 07974 — Medical supplies
CEO: George T Maloney — 908-277-8000

Barnett Banks
PO Box 40789
Jacksonville, FL 32203-0789 — Regional bank
CEO: Charles E Rice — 904-791-7720

Bausch & Lomb
PO Box 54
Rochester, NY 14601-0054 — Medical supplies
CEO: Daniel E Gill — 716-338-6000

Baxter International
One Baxter Parkway
Deerfield, IL 60015 — Medical supplies
CEO: Vernon R Loucks Jr — 708-948-2000

Bay View Capital
2121 South El Camino Real
San Mateo, CA 94403-1897 — Thrift
CEO: Robert E Barnes — 415-573-7300

BayBanks
175 Federal Street
Boston, MA 02110 — Regional bank
CEO: William M Crozier Jr — 617-482-1040

BB&T Financial
PO Box 1847
Wilson, NC 27894-1847 — Regional bank
CEO: John A Allison — 919-399-4291

Bear Stearns Cos
245 Park Avenue
New York, NY 10167 — Securities brokerage
CEO: Alan C Greenberg — 212-272-2000

Becton Dickinson
One Becton Drive
Franklin Lakes, NJ 07417-1880 — Medical supplies
CEO: Raymond V Gilmartin — 201-847-6800

Bell Atlantic
1600 Market Street
Philadelphia, PA 19103 — Telecommunications
CEO: Raymond W Smith — 215-963-6000

BellSouth
1155 Peachtree Street NE
Atlanta, GA 30367-6000 — Telecommunications
CEO: John L Clendenin — 404-249-2000

Beneficial Corp
400 Bellevue Parkway
Wilmington, DE 19809 — Lease & finance
CEO: Finn M W Caspersen — 302-798-0800

Bergen Brunswig
4000 Metropolitan Drive
Orange, CA 92668-3510 — Drugs
CEO: Robert E Martini — 714-385-4000

Berkshire Hathaway
1440 Kiewit Plaza
Omaha, NE 68131 — Property & casualty ins
CEO: Warren E Buffett — 402-346-1400

Bethlehem Steel
Martin Tower
Bethlehem, PA 18016-7699 — Steel
CEO: Walter F Williams — 215-694-2424

Betz Laboratories
4636 Somerton Road
Trevose, PA 19047 — Specialty chemicals
CEO: John F McCaughan — 215-355-3300

Beverly Enterprises
PO Box 3324
Fort Smith, AR 72913-3324 — Health care services
CEO: David R Banks — 501-452-6712

BHC Communications
600 Madison Avenue
New York, NY 10022 — Broadcasting
CEO: Herbert J Siegel — 212-421-0200

Bindley Western Industries
4212 West 71st Street
Indianapolis, IN 46268 — Drugs
CEO: William E Bindley — 317-298-9900

Biomet
PO Box 587
Warsaw, IN 46581 — Medical supplies
CEO: Dane A Miller — 219-267-6639

Black & Decker
701 East Joppa Road
Towson, MD 21204 — Appliances
CEO: Nolan D Archibald — 410-583-3900

H&R Block
4410 Main Street
Kansas City, MO 64111 — Lease & finance
CEO: Henry W Bloch — 816-753-6900

Blockbuster Entertainment
901 East Las Olas Boulevard
Fort Lauderdale, FL 33301 — Specialty retailing
CEO: H Wayne Huizenga — 305-524-8200

BMC Software
PO Box 2002
Sugar Land, TX 77478-2002 — Software
CEO: Max P Watson Jr — 713-240-8800

Boatmen's Bancshares
PO Box 236
St Louis, MO 63166-0236 — Regional bank
CEO: Andrew B Craig III — 314-466-7720

Boeing
PO Box 3707
Seattle, WA 98124-2207 — Aerospace & defense
CEO: Frank A Shrontz — 206-655-2121

Boise Cascade
PO Box 50
Boise, ID 83728-0001 — Paper & lumber
CEO: John B Fery — 208-384-6161

Borden
277 Park Avenue
New York, NY 10172-0129 — Food processing
CEO: Anthony S D'Amato — 212-573-4000

Borland International
PO Box 660001
Scotts Valley, CA 95067-0001 — Software
CEO: Philippe Kahn — 408-438-8400

Boston Edison
800 Boylston Street
Boston, MA 02199 — Electric util-NE
CEO: Bernard W Reznicek — 617-424-2000

Bowater
PO Box 4012
Darien, CT 06820-1412 — Paper & lumber
CEO: Anthony P Gammie — 203-656-7200

Bristol-Myers Squibb
345 Park Avenue
New York, NY 10154-0037 — Drugs
CEO: Richard L Gelb — 212-546-4000

Broad
11601 Wilshire Boulevard
Los Angeles, CA 90025-1748 — Life & health insurance
CEO: Eli Broad — 310-312-5000

Brooklyn Union Gas
One MetroTech Center
Brooklyn, NY 11201-3850 — Gas distributor
CEO: Rogert B Catell — 718-403-2000

Brown-Forman
PO Box 1080
Louisville, KY 40201-1080 — Beverages
CEO: W L Lyons Brown Jr — 502-585-1100

Brown Group
PO Box 29
St Louis, MO 63166 — Apparel stores
CEO: Bernard A Bridgewater Jr — 314-854-4000

Browning-Ferris Industries
PO Box 3151
Houston, TX 77253 — Industrial services
CEO: William D Ruckelshaus — 713-870-8100

Bruno's
PO Box 2486
Birmingham, AL 35201-2486 — Supermarkets
CEO: Ronald G Bruno — 205-940-9400

Brunswick
One Brunswick Plaza
Skokie, IL 60077 — Appliances
CEO: Jack F Reichert — 708-470-4700

Burlington Northern
777 Main Street
Fort Worth, TX 76102 — Railroad
CEO: Gerald Grinstein — 817-878-2000

Burlington Resources
999 Third Avenue
Seattle, WA 98104-4097 — Gas producer/pipeliner
CEO: Thomas H O'Leary — 206-467-3838

C

Cabletron Systems
PO Box 5005
Rochester, NH 03867-5005 — Computer peripherals
CEO: S Robert Levine — 603-332-9400

Cabot
75 State Street
Boston, MA 02109-1806 — Specialty chemicals
CEO: Samuel W Bodman — 617-345-0100

Caesars World
1801 Century Park East
Los Angeles, CA 90067 — Hotels & recreation
CEO: Henry Gluck — 213-552-2711

Caldor
20 Glover Avenue
Norwalk, CT 06856-5620 — Drug & discount stores
CEO: Don R Clarke — 203-849-2000

CalFed
5700 Wilshire Boulevard
Los Angeles, CA 90036 — Thrift
CEO: Jerry St Dennis — 213-932-4200

Campbell Soup
Campbell Place
Camden, NJ 08103-1799 — Food processing
CEO: David W Johnson — 609-342-4800

Capital Cities/ABC
77 West 66th Street
New York, NY 10023-6298 — Broadcasting
CEO: Daniel B Burke — 212-456-7777

Capital Holding
PO Box 32830
Louisville, KY 40232 — Life & health insurance
CEO: Irving W Bailey II — 502-560-2000

Carnival Cruise Lines
3655 Northwest 87th Avenue
Miami, FL 33178-2428 — Hotels & recreation
CEO: Micky Arison — 305-599-2600

Carolina Power & Light
PO Box 1551
Raleigh, NC 27602 — Electric util-SE
CEO: Sherwood H Smith Jr — 919-546-6111

Carter Hawley Hale Stores
444 South Flower Street
Los Angeles, CA 90071 — Department stores
CEO: Philip M Hawley — 213-620-0150

Carter-Wallace
1345 Avenue of the Americas
New York, NY 10105 — Personal products
CEO: Henry H Hoyt Jr — 212-339-5000

Caterpillar
100 Northeast Adams Street
Peoria, IL 61629-7310 — Heavy equipment
CEO: Donald V Fites — 309-675-1000

CBI Industries
800 Jorie Boulevard
Oak Brook, IL 60522-7001 — Commercial builder
CEO: John E Jones — 708-572-7000

CBS
51 West 52nd Street
New York, NY 10019 — Broadcasting
CEO: Laurence A Tisch — 212-975-4321

Centel
8725 Higgins Road
Chicago, IL 60631 — Telecommunications
CEO: John P Frazee Jr — 312-399-2500

Centerior Energy
PO Box 94661
Cleveland, OH 44101-4661 — Electric util-NC
CEO: Robert J Farling — 216-447-3100

Centex
PO Box 19000
Dallas, TX 75219 — Residential builder
CEO: Laurence E Hirsch — 214-559-6500

Central & South West
PO Box 660164
Dallas, TX 75266-0164 — Electric util-SC
CEO: E R Brooks — 214-754-1000

Central Bancshares of the South
701 South 20th Street
Birmingham, AL 35233 — Regional bank
CEO: D Paul Jones Jr — 205-933-3000

Central Fidelity Banks
PO Box 27602
Richmond, VA 23261 — Regional bank
CEO: Carroll L Saine — 804-782-4000

Champion International
One Champion Plaza
Stamford, CT 06921 — Paper & lumber
CEO: Andrew C Sigler — 203-358-7000

Charming Shoppes
450 Winks Lane
Bensalem, PA 19020 — Apparel stores
CEO: David V Wachs — 215-245-9100

Chase Manhattan
One Chase Manhattan Plaza
New York, NY 10081 — Multinational bank
CEO: Thomas G Labrecque — 212-552-2222

Chemical Banking
270 Park Avenue
New York, NY 10017 — Multinational bank
CEO: John F McGillicuddy — 212-270-6000

Chevron
225 Bush Street
San Francisco, CA 94104-4289 — International oil
CEO: Kenneth T Derr — 415-894-7700

Chiquita Brands International
250 East Fifth Street
Cincinnati, OH 45202 — Food processing
CEO: Carl H Lindner — 513-784-8000

Chrysler
12000 Chrysler Drive
Highland Park, MI 48288-1919 — Autos & trucks
CEO: Lee A Iacocca — 313-956-5741

Chubb
PO Box 1615
Warren, NJ 07061-1615 — Property & casualty ins
CEO: Dean R O'Hare — 908-580-2000

Cigna
One Liberty Place
Philadelphia, PA 19192-1550 — Diversified insurance
CEO: Wilson H Taylor — 215-761-1000

Cincinnati Financial
PO Box 145496
Cincinnati, OH 45250-5496 — Diversified insurance
CEO: Robert B Morgan — 513-870-2000

Cincinnati Gas & Electric
PO Box 960
Cincinnati, OH 45201-0960 — Electric util-NC
CEO: Jackson H Randolph — 513-381-2000

Cipsco
607 East Adams Street
Springfield, IL 62739 — Electric util-NC
CEO: Clifford L Greenwalt — 217-523-3600

Circle K
PO Box 52084
Phoenix, AZ 85072-2084 — Supermarkets
CEO: Bart A Brown Jr — 602-253-9600

Circuit City Stores
9950 Mayland Drive
Richmond, VA 23233 — Consumer electron strs
CEO: Richard L Sharp — 804-527-4000

Circus Circus Enterprises
PO Box 14967
Las Vegas, NV 89114-4967 — Hotels & recreation
CEO: William G Bennett — 702-734-0410

Cisco Systems
1525 O'Brien Drive
Menlo Park, CA 94025 — Computer peripherals
CEO: John P Morgridge — 415-326-1941

Citadel Holding
600 North Brand Boulevard
Glendale, CA 91203 — Thrift
CEO: William C Walbrecher Jr — 818-956-7100

Citicorp
399 Park Avenue
New York, NY 10043 — Multinational bank
CEO: John S Reed — 212-559-1000

Citizens Utilities
PO Box 3801
Stamford, CT 06905 — Telecommunications
CEO: Leonard Tow — 203-329-8800

City National
400 North Roxbury Drive
Beverly Hills, CA 90210 — Regional bank
CEO: Bram Goldsmith — 310-550-5400

Clorox
1221 Broadway
Oakland, CA 94612-1888 — Personal products
CEO: Charles R Weaver — 510-271-7000

CMS Energy
330 Town Center Drive
Dearborn, MI 48126 — Electric util-NC
CEO: William T McCormick Jr — 313-436-9200

Coast Savings Financial
1000 Wilshire Boulevard
Los Angeles, CA 90017-2457 — Thrift
CEO: Ray Martin — 213-362-2000

Coastal Corp
Nine Greenway Plaza
Houston, TX 77046-0995 — Gas producer/pipeliner
CEO: James R Paul — 713-877-1400

Coca-Cola
PO Drawer 1734
Atlanta, GA 30301 — Beverages
CEO: Roberto C Goizueta — 404-676-2121

Coca-Cola Enterprises
Coca-Cola Plaza NW
Atlanta, GA 30313-2499 — Beverages
CEO: Summerfield K Johnston Jr — 404-676-2100

Colgate-Palmolive
300 Park Avenue
New York, NY 10022 — Personal products
CEO: Reuben Mark — 212-310-2000

Colorado National Bankshares
PO Box 5168
Denver, CO 80217 — Regional bank
CEO: Will F Nicholson Jr — 303-629-1968

Columbia Gas System
20 Montchanin Road
Wilmington, DE 19807-0020 — Integrated gas
CEO: John H Croom — 302-429-5000

Comcast
1234 Market Street
Philadelphia, PA 19107-3723 — Broadcasting
CEO: Ralph J Roberts — 215-665-1700

Comdisco
6111 North River Road
Rosemont, IL 60018 — Business supplies
CEO: Kenneth N Pontikes — 708-698-3000

Comerica
211 West Fort Street
Detroit, MI 48275 — Regional bank
CEO: Eugene A Miller — 313-222-3300

Commerce Bancshares
PO Box 13686
Kansas City, MO 64199-3686 — Regional bank
CEO: David W Kemper — 816-234-2000

Commercial Federal
2120 South 72nd Street
Omaha, NE 68124 — Thrift
CEO: William A Fitzgerald — 402-554-9200

Commonwealth Edison
PO Box 767
Chicago, IL 60690-0767 — Electric util-NC
CEO: James J O'Connor — 312-294-4321

Compaq Computer
PO Box 692000
Houston, TX 77069-2000 — Computer systems
CEO: Eckhard Pfeiffer — 713-370-0670

Computer Associates International
One Computer Associates Plaza
Islandia, NY 11788-7000 — Software
CEO: Charles B Wang — 516-342-5224

Computer Sciences
2100 East Grand Avenue
El Segundo, CA 90245 — Business services
CEO: William R Hoover — 310-615-0311

ConAgra
One ConAgra Drive
Omaha, NE 68102-5001 — Food processing
CEO: Charles M Harper — 402-595-4000

Conner Peripherals
3081 Zanker Road
San Jose, CA 95134-2128 — Computer peripherals
CEO: Finis F Conner — 408-456-4500

Conseco
PO Box 1911
Carmel, IN 46032 — Life & health insurance
CEO: Stephen C Hilbert — 317-573-6100

Consolidated Edison
4 Irving Place
New York, NY 10003 — Electric util-NE
CEO: Eugene R McGrath — 212-460-4600

Consolidated Freightways
3240 Hillview Avenue
Palo Alto, CA 94304-1297 — Trucking & shipping
CEO: Donald E Moffitt — 415-494-2900

Consolidated Natural Gas
CNG Tower
Pittsburgh, PA 15222-3199 — Integrated gas
CEO: George A Davidson Jr — 412-227-1000

Consolidated Papers
PO Box 8050
Wisconsin Rapids, WI 54495-8050 — Paper & lumber
CEO: George W Mead — 715-422-3111

Consolidated Rail
Six Penn Center Plaza
Philadelphia, PA 19103-2959 — Railroad
CEO: James A Hagen — 215-977-4000

Continental Airlines Holdings
PO Box 4607
Houston, TX 77210-4607 — Airline
CEO: Robert R Ferguson III — 713-834-2950

Continental Bank
231 South LaSalle Street
Chicago, IL 60697 — Multinational bank
CEO: Thomas C Theobald — 312-828-2345

Continental Corp
180 Maiden Lane
New York, NY 10038 — Property & casualty ins
CEO: John P Mascotte — 212-440-3980

Cooper Industries
PO Box 4446
Houston, TX 77210 — Misc industrial equip
CEO: Robert Cizik — 713-739-5400

Cooper Tire & Rubber
PO Box 550
Findlay, OH 45839-0550 — Auto parts
CEO: Ivan W Gorr — 419-423-1321

Adolph Coors
Golden, CO 80401 — Beverages
CEO: William K Coors — 303-279-6565

CoreStates Financial
PO Box 7618
Philadelphia, PA 19101-7618 — Regional bank
CEO: Terrence A Larsen — 215-973-3100

Corning
Houghton Park
Corning, NY 14831 — Telecommunications
CEO: James R Houghton — 607-974-9000

Costco Wholesale
PO Box 97077
Kirkland, WA 98083-9777 — Specialty retailing
CEO: James D Sinegal — 206-828-8100

CPC International
PO Box 8000
Englewood Cliffs, NJ 07632-9976 — Food processing
CEO: Charles R Shoemate — 201-894-4000

Cray Research
655-A Lone Oak Drive
Eagan, MN 55121 — Computer systems
CEO: John A Rollwagen — 612-683-7100

Crestar Financial
PO Box 26665
Richmond, VA 23261-6665 — Regional bank
CEO: Richard G Tilghman — 804-782-5000

Crown Central Petroleum
PO Box 1168
Baltimore, MD 21203 — Miscellaneous energy
CEO: Henry A Rosenberg Jr — 301-539-7400

Crown Cork & Seal
PO Box 6208
Philadelphia, PA 19136 — Packaging
CEO: William J Avery — 215-698-5100

CSF Holdings
999 Brickell Avenue
Miami, FL 33131 — Thrift
CEO: Charles B Stuzin — 305-577-0400

CSX
PO Box C-32222
Richmond, VA 23261 — Railroad
CEO: John W Snow — 804-782-1400

Cullen/Frost Bankers
PO Box 1600
San Antonio, TX 78296 — Regional bank
CEO: Thomas C Frost — 512-220-4011

Cummins Engine
Box 3005
Columbus, IN 47202-3005 — Auto parts
CEO: Henry B Schacht — 812-377-5000

Cyprus Minerals
PO Box 3299
Englewood, CO 80155 — Nonferrous metals
CEO: Calvin A Campbell Jr — 303-643-5000

D

Dana
PO Box 1000
Toledo, OH 43697 — Auto parts
CEO: Southwood J Morcott — 419-535-4500

Data General
4400 Computer Drive
Westboro, MA 01580 — Computer systems
CEO: Ronald Skates — 508-366-8911

Dauphin Deposit
213 Market Street
Harrisburg, PA 17101 — Regional bank
CEO: William J King — 717-255-2121

Dayton Hudson
777 Nicollet Mall
Minneapolis, MN 55402 — Drug & discount stores
CEO: Kenneth A Macke — 612-370-6948

Dean Foods
3600 North River Road
Franklin Park, IL 60131 — Food processing
CEO: Howard M Dean — 312-625-6200

Deere & Co
John Deere Road
Moline, IL 61265-8098 — Heavy equipment
CEO: Hans W Becherer — 309-765-8000

Delmarva Power & Light
PO Box 231
Wilmington, DE 19899 — Electric util-NE
CEO: Nevius M Curtis — 302-429-3011

Delta Air Lines
Hartsfield Atlanta Airport
Atlanta, GA 30320 — Airline
CEO: Ronald W Allen — 404-715-2600

Deluxe
PO Box 64399
St Paul, MN 55164-0399 — Business supplies
CEO: Harold V Haverty — 612-483-7111

Deposit Guaranty
PO Box 730
Jackson, MS 39205-0730 — Regional bank
CEO: Emerson B Robinson Jr — 601-968-4794

Detroit Edison
2000 Second Avenue
Detroit, MI 48226 — Electric util-NC
CEO: John E Lobbia — 313-237-8000

Dial
1850 North Central Avenue
Phoenix, AZ 85077-2315 — Personal products
CEO: John W Teets — 602-207-4000

Diamond Shamrock
PO Box 696000
San Antonio, TX 78269-6000 — Miscellaneous energy
CEO: Roger R Hemminghaus — 512-641-6800

Digital Equipment
146 Main Street
Maynard, MA 01754-2571 — Computer systems
CEO: Kenneth H Olsen — 508-493-5111

Dillard Department Stores
PO Box 486
Little Rock, AR 72203 — Department stores
CEO: William T Dillard Sr — 501-376-5200

Dime Savings Bank of New York FSB
589 Fifth Avenue
New York, NY 10017 — Thrift
CEO: Richard D Parsons — 212-326-6100

Discount Corp of New York
58 Pine Street
New York, NY 10005 — Lease & finance
CEO: Raphael de la Gueronniere — 212-248-8900

Walt Disney
500 South Buena Vista Street
Burbank, CA 91521 — Hotels & recreation
CEO: Michael D Eisner — 818-560-1000

Dole Food
31355 Oak Crest Drive
Westlake Village, CA 91361 — Food processing
CEO: David H Murdock — 818-879-6600

Dominion Bankshares
PO Box 13327
Roanoke, VA 24040-0001 — Regional bank
CEO: Warner N Dalhouse — 703-563-7000

Dominion Resources
PO Box 26532
Richmond, VA 23261 — Electric util-SE
CEO: Thos E Capps — 804-775-5700

RR Donnelley & Sons
2223 Martin Luther King Drive
Chicago, IL 60616-1471 — Publishing
CEO: John R Walter — 312-326-8000

Dover
280 Park Avenue
New York, NY 10017-1292 — Misc industrial equip
CEO: Gary L Roubos — 212-922-1640

Dow Chemical
2030 Dow Center
Midland, MI 48674 — Diversified chemicals
CEO: Frank P Popoff — 517-636-1000

Dow Jones
200 Liberty Street
New York, NY 10281 — Publishing
CEO: Peter R Kann — 212-416-2000

Downey Savings & Loan Assn
PO Box 6000
Newport Beach, CA 92658-6000 — Thrift
CEO: Robert L Kemper — 714-854-3100

DPL
Courthouse Plaza Southwest
Dayton, OH 45402 — Electric util-NC
CEO: Peter H Forster — 513-224-6000

DQE
One Oxford Centre
Pittsburgh, PA 15279 — Electric util-NC
CEO: Wesley W von Schack — 412-393-6000

Dresser Industries
PO Box 718
Dallas, TX 75221 — Oilfield services
CEO: John J Murphy — 214-740-6000

Dreyfus
200 Park Avenue
New York, NY 10166 — Lease & finance
CEO: Howard Stein — 212-922-6000

EI du Pont de Nemours
1007 Market Street
Wilmington, DE 19898 — Diversified chemicals
CEO: Edgar S Woolard Jr — 302-774-1000

Duke Power
422 South Church Street
Charlotte, NC 28242-0001 — Electric util-SE
CEO: William S Lee — 704-373-4011

Dun & Bradstreet
299 Park Avenue
New York, NY 10171 — Publishing
CEO: Charles W Moritz — 212-593-6800

Duracell International
Berkshire Industrial Park
Bethel, CT 06801 — Personal products
CEO: C Robert Kidder — 203-796-4000

E

E-Systems
PO Box 660248
Dallas, TX 75266-0248 — Aerospace & defense
CEO: E Gene Keiffer — 214-661-1000

Eastman Kodak
343 State Street
Rochester, NY 14650 — Photography & toys
CEO: Kay R Whitmore — 716-724-4000

Eaton
Eaton Center
Cleveland, OH 44114-2584 — Auto parts
CEO: William E Butler — 216-523-5000

Echlin
100 Double Beach Road
Branford, CT 06405 — Auto parts
CEO: Frederick J Mancheski — 203-481-5751

Edison Brothers Stores
PO Box 14020
St Louis, MO 63178 — Apparel stores
CEO: Andrew E Newman — 314-331-6000

AG Edwards
One North Jefferson Avenue
St Louis, MO 63103 — Securities brokerage
CEO: Benjamin F Edwards III — 314-289-3000

EG&G
45 William Street
Wellesley, MA 02181 — Misc industrial equip
CEO: John M Kucharski — 617-237-5100

Emerson Electric
PO Box 4100
St Louis, MO 63136 — Electrical equipment
CEO: Charles F Knight — 314-553-2000

Engelhard
101 Wood Avenue
Iselin, NJ 08830-0770 — Nonferrous metals
CEO: Orin R Smith — 908-205-6000

Enron
PO Box 1188
Houston, TX 77251-1188 — Gas producer/pipeliner
CEO: Kenneth L Lay — 713-853-6161

Enserch
300 South St Paul Street
Dallas, TX 75201-5598 — Integrated gas
CEO: William C McCord — 214-651-8700

Entergy
PO Box 61005
New Orleans, LA 70161 — Electric util-SC
CEO: Edwin Lupberger — 504-529-5262

Equifax
Box 4081
Atlanta, GA 30302 — Business services
CEO: C B Rogers Jr — 404-885-8000

Equimark
Two Oliver Plaza
Pittsburgh, PA 15222 — Regional bank
CEO: Gary W Fiedler — 412-288-5000

Equitable of Iowa Cos
PO Box 9107
Des Moines, IA 50306 — Life & health insurance
CEO: Frederick S Hubbell — 515-282-1335

Equitable Resources
420 Boulevard of the Allies
Pittsburgh, PA 15219 — Integrated gas
CEO: Donald I Moritz — 412-261-3000

Ethyl
PO Box 2189
Richmond, VA 23217 — Specialty chemicals
CEO: Floyd D Gottwald Jr — 804-788-5000

Exxon
225 E John W Carpenter Freeway
Irving, TX 75062-2298 — International oil
CEO: Lawrence G Rawl — 214-444-1000

F

Farm & Home Financial
PO Box 1893
Nevada, MO 64772 — Thrift
CEO: John Morton III — 417-667-3333

Federal Express
2005 Corporate Avenue
Memphis, TN 38132 — Trucking & shipping
CEO: Frederick W Smith — 901-369-3600

Federal Home Loan Mortgage
8200 Jones Branch Drive
McLean, VA 22102 — Lease & finance
CEO: Leland C Brendsel — 800-336-3672

Federal National Mortgage Assn
3900 Wisconsin Avenue NW
Washington, DC 20016-2899 — Lease & finance
CEO: James A Johnson — 202-752-7000

Federal Paper Board
75 Chestnut Ridge Road
Montvale, NJ 07645 — Paper & lumber
CEO: John R Kennedy — 201-391-1776

Federated Department Stores
7 West Seventh Street
Cincinnati, OH 45202 — Department stores
CEO: Allen I Questrom — 513-579-7000

Fifth Third Bancorp
38 Fountain Square Plaza
Cincinnati, OH 45263 — Regional bank
CEO: George A Schaefer Jr — 513-579-5300

Fina
8350 North Central Expressway
Dallas, TX 75206 — Miscellaneous energy
CEO: Ron W Haddock — 214-750-2400

First Alabama Bancshares
PO Box 1448
Montgomery, AL 36102 — Regional bank
CEO: J Stanley Mackin — 205-832-8011

First American Corp
First American Center
Nashville, TN 37237-0715 — Regional bank
CEO: Dennis C Bottorff — 615-748-2000

First Bancorporation of Ohio
106 South Main Street
Akron, OH 44308-1444 — Regional bank
CEO: Howard L Flood — 216-384-8000

First Bank System
PO Box 522
Minneapolis, MN 55480 — Regional bank
CEO: John F Grundhofer — 612-370-5100

First Chicago
One First National Plaza
Chicago, IL 60670 — Multinational bank
CEO: Richard L Thomas — 312-732-4000

First Citizens BancShares
PO Box 151
Raleigh, NC 27602 — Regional bank
CEO: Lewis R Holding — 919-755-7000

First City Bancorp of Texas
1001 Main Street
Houston, TX 77002 — Regional bank
CEO: C Ivan Wilson — 713-658-6011

First Commerce
PO Box 60279
New Orleans, LA 70160-0279 — Regional bank
CEO: Ian Arnof — 504-561-1371

First Empire State
One M&T Plaza
Buffalo, NY 14203-2399 — Regional bank
CEO: Robert G Wilmers — 716-842-5445

First Fidelity Bancorp
1009 Lenox Drive
Lawrenceville, NJ 08648-0580 — Regional bank
CEO: Anthony P Terracciano — 609-895-6800

First Financial Management
3 Corporate Square
Atlanta, GA 30329 — Business services
CEO: Patrick H Thomas — 404-321-0120

First Florida Banks
PO Box 31265
Tampa, FL 33631-3265 — Regional bank
CEO: Paul M Homan — 813-224-1111

First Hawaiian
PO Box 3200
Honolulu, HI 96847 — Regional bank
CEO: Walter A Dods Jr — 808-525-7000

First Interstate Bancorp
PO Box 54068
Los Angeles, CA 90054 — Regional bank
CEO: Edward M Carson — 213-614-3001

First of America Bank
108 East Michigan Avenue
Kalamazoo, MI 49007 — Regional bank
CEO: Daniel R Smith — 616-376-9000

First Security
PO Box 30006
Salt Lake City, UT 84130-0006 — Regional bank
CEO: Spencer F Eccles — 801-350-6000

First Tennessee National
PO Box 84
Memphis, TN 38101 — Regional bank
CEO: Ronald Terry — 901-523-4444

First Union
One First Union Center
Charlotte, NC 28288-0570 — Regional bank
CEO: Edward E Crutchfield Jr — 704-374-6565

First Virginia Banks
6400 Arlington Boulevard
Falls Church, VA 22042-2336 — Regional bank
CEO: Robert H Zalokar — 703-241-4000

Firstar
PO Box 532
Milwaukee, WI 53201 — Regional bank
CEO: Roger L Fitzsimonds — 414-765-4321

FirstFed Financial
401 Wilshire Boulevard
Santa Monica, CA 90401 — Thrift
CEO: William S Mortensen — 213-319-6000

FirstFed Michigan
1001 Woodward Avenue
Detroit, MI 48226 — Thrift
CEO: C Gene Harling — 313-965-1400

FirsTier Financial
1700 Farnam Street
Omaha, NE 68102-2183 — Regional bank
CEO: David A Rismiller — 402-348-6000

Fleet/Norstar Financial
50 Kennedy Plaza
Providence, RI 02903 — Regional bank
CEO: Terrence Murray — 401-278-5800

Fleming Cos
PO Box 26647
Oklahoma City, OK 73126-0647 — Food wholesaler
CEO: E Dean Werries — 405-840-7200

FlightSafety International
Marine Air Terminal-La Guardia
Flushing, NY 11371-1061 — Business services
CEO: Albert L Ueltschi — 718-565-4100

Florida Progress
PO Box 33028
St Petersburg, FL 33733 — Electric util-SE
CEO: Jack B Critchfield — 813-824-6400

Fluor
3333 Michelson Drive
Irvine, CA 92730 — Commercial builder
CEO: Leslie G McCraw — 714-975-2000

FMC
200 East Randolph Drive
Chicago, IL 60601 — Diversified chemicals
CEO: Robert N Burt — 312-861-6000

Food Lion
PO Box 1330
Salisbury, NC 28145-1330 — Supermarkets
CEO: Tom E Smith — 704-633-8250

Ford Motor
PO Box 1899
Dearborn, MI 48121 — Autos & trucks
CEO: Harold A Poling — 313-322-3000

Forest Laboratories
150 East 58th Street
New York, NY 10155-0015 — Drugs
CEO: Howard Solomon — 212-421-7850

Fortune Bancorp
PO Box 6100
Clearwater, FL 34618-6100 — Thrift
CEO: John R Torell III — 813-538-1000

Foster Wheeler
Perryville Corporate Park
Clinton, NJ 08809-4000 — Commercial builder
CEO: Louis E Azzato — 908-730-4000

Fourth Financial
PO Box 4
Wichita, KS 67201-0004 — Regional bank
CEO: Darrell G Knudson — 316-261-4444

FPL Group
PO Box 14000
Juno Beach, FL 33408 — Electric util-SE
CEO: James L Broadhead — 407-694-6300

Franklin Resources
777 Mariners Island Boulevard
San Mateo, CA 94404 — Lease & finance
CEO: Charles B Johnson — 415-570-3000

Freeport-McMoRan
PO Box 61119
New Orleans, LA 70161 — Specialty chemicals
CEO: James R Moffett — 504-582-4000

Fruit of the Loom
233 South Wacker Drive
Chicago, IL 60606 — Textiles & apparel
CEO: William Farley — 312-876-1724

G

Gannett
1100 Wilson Boulevard
Arlington, VA 22234 — Publishing
CEO: John J Curley — 703-284-6000

Gap
One Harrison Street
San Francisco, CA 94105 — Apparel stores
CEO: Donald G Fisher — 415-952-4400

GATX
120 South Riverside Plaza
Chicago, IL 60606-3998 — Lease & finance
CEO: James J Glasser — 312-621-6200

Geico
One Geico Plaza
Washington, DC 20076-0001 — Property & casualty ins
CEO: William B Snyder — 301-986-3000

GenCorp
175 Ghent Road
Fairlawn, OH 44333-3300 — Aerospace & defense
CEO: A William Reynolds — 216-869-4200

Genentech
460 Point San Bruno Boulevard
South San Francisco, CA 94080 — Biotech
CEO: G Kirk Raab — 415-266-1000

General Cinema
27 Boylston Street
Chestnut Hill, MA 02167 — Publishing
CEO: Robert J Tarr — 617-232-8200

General Dynamics
3190 Fairview Park Drive
Falls Church, VA 22042-4523 — Aerospace & defense
CEO: William A Anders — 703-876-3000

General Electric
3135 Easton Turnpike
Fairfield, CT 06431 — Aerospace & defense
CEO: John F Welch Jr — 203-373-2211

General Mills
PO Box 1113
Minneapolis, MN 55440 — Food processing
CEO: H B Atwater Jr — 612-540-2311

General Motors
3044 West Grand Boulevard
Detroit, MI 48202-3091 — Autos & trucks
CEO: Robert C Stempel — 313-556-5000

General Public Utilities
100 Interpace Parkway
Parsippany, NJ 07054-1149 — Electric util-NE
CEO: James R Leva — 201-263-6500

General Re
PO Box 10351
Stamford, CT 06904-2351 — Property & casualty ins
CEO: Ronald E Ferguson — 203-328-5000

General Signal
PO Box 10010
Stamford, CT 06904 — Misc industrial equip
CEO: Edmund M Carpenter — 203-357-8800

Genuine Parts
2999 Circle 75 Parkway
Atlanta, GA 30339 — Auto parts
CEO: Larry L Prince — 404-953-1700

Georgia Gulf
PO Box 105197
Atlanta, GA 30348 — Specialty chemicals
CEO: Jerry R Satrum — 404-395-4500

Georgia-Pacific
133 Peachtree Street NE
Atlanta, GA 30303 — Paper & lumber
CEO: T Marshall Hahn Jr — 404-521-4000

Gerber Products
445 State Street
Fremont, MI 49413 — Food processing
CEO: Alfred A Piergallini — 616-928-2000

Giant Food
PO Box 1804
Washington, DC 20013 — Supermarkets
CEO: Israel Cohen — 301-341-4100

Gillette
Prudential Tower Building
Boston, MA 02199 — Personal products
CEO: Alfred M Zeien — 617-421-7000

PH Glatfelter
228 South Main Street
Spring Grove, PA 17362-0500 — Paper & lumber
CEO: Thomas C Norris — 717-225-4711

GlenFed
PO Box 1709
Glendale, CA 91209 — Thrift
CEO: Norman M Coulson — 818-500-2000

Golden West Financial
1901 Harrison Street
Oakland, CA 94612 — Thrift
CEO: Herbert M Sandler — 510-446-6000

BF Goodrich
3925 Embassy Parkway
Akron, OH 44313-1799 — Diversified chemicals
CEO: John D Ong — 216-374-2000

Goodyear Tire & Rubber
1144 East Market Street
Akron, OH 44316-0001 — Auto parts
CEO: Stanley C Gault — 216-796-2121

WR Grace
One Town Center Road
Boca Raton, FL 33486-1010 — Specialty chemicals
CEO: J Peter Grace — 407-362-2000

WW Grainger
5500 West Howard Street
Skokie, IL 60077-2699 — Electrical equipment
CEO: David W Grainger — 708-982-9000

Great Atlantic & Pacific Tea
2 Paragon Drive
Montvale, NJ 07645 — Supermarkets
CEO: James Wood — 201-573-9700

Great Lakes Bancorp FSB
One Great Lakes Plaza
Ann Arbor, MI 48107-8600 — Thrift
CEO: Robert J Delonis — 313-769-8300

Great Lakes Chemical
PO Box 2200
West Lafayette, IN 47906 — Specialty chemicals
CEO: Emerson Kampen — 317-497-6100

Great Western Financial
8484 Wilshire Boulevard
Beverly Hills, CA 90211 — Thrift
CEO: James F Montgomery — 213-852-3411

Greater New York Savings Bank
One Penn Plaza
New York, NY 10119 — Thrift
CEO: Gerard C Keegan — 212-613-4000

Grumman
1111 Stewart Avenue
Bethpage, NY 11714-3580 — Aerospace & defense
CEO: Renso L Caporali — 516-575-0574

GTE
One Stamford Forum
Stamford, CT 06904 — Telecommunications
CEO: Charles R Lee — 203-965-2000

Gulf States Utilities
PO Box 2951
Beaumont, TX 77704 — Electric util-SC
CEO: Joseph L Donnelly — 409-838-6631

H

Halliburton
500 North Akard Street
Dallas, TX 75201-3391 — Oilfield services
CEO: Thomas H Cruikshank — 214-978-2600

Hannaford Bros
145 Pleasant Hill Road
Scarborough, ME 04074 — Supermarkets
CEO: James L Moody Jr — 207-883-2911

Hanover Insurance Cos
100 North Parkway
Worcester, MA 01605-1396 — Property & casualty ins
CEO: John F O'Brien — 508-855-7200

Harnischfeger Industries
PO Box 554
Milwaukee, WI 53201 — Heavy equipment
CEO: Jeffery T Grade — 414-671-4400

Harris Corp
1025 West Nasa Boulevard
Melbourne, FL 32919 — Computer systems
CEO: John T Hartley — 407-727-9100

Harsco
PO Box 8888
Camp Hill, PA 17001-8888 — Aerospace & defense
CEO: Malcolm W Gambill — 717-763-7064

Hartford Steam Boiler Inspection & Ins
One State Street
Hartford, CT 06102-3001 — Property & casualty ins
CEO: Wilson Wilde — 203-722-1866

Hasbro
1027 Newport Avenue
Pawtucket, RI 02862-1059 — Photography & toys
CEO: Alan G Hassenfeld — 401-431-8697

Hawaiian Electric Industries
PO Box 730
Honolulu, HI 96808-0730 — Electric util-W
CEO: Robert F Clarke — 808-543-5662

HealthTrust
4525 Harding Road
Nashville, TN 37205 — Health care services
CEO: R Clayton McWhorter — 615-383-4444

Hechinger
1616 McCormick Drive
Landover, MD 20785-5372 — Home improvement stores
CEO: John W Hechinger Jr — 301-341-1000

HJ Heinz
PO Box 57
Pittsburgh, PA 15230-0057 — Food processing
CEO: Anthony J F O'Reilly — 412-456-5700

Hercules
Hercules Plaza
Wilmington, DE 19894 — Diversified chemicals
CEO: Thomas L Gossage — 302-594-5000

Hershey Foods
PO Box 810
Hershey, PA 17033-0810 — Food processing
CEO: Richard A Zimmerman — 717-534-4001

Hewlett-Packard
PO Box 10301
Palo Alto, CA 94303 — Computer systems
CEO: John A Young — 415-857-1501

Hibernia
PO Box 61540
New Orleans, LA 70161 — Regional bank
CEO: Sidney W Lassen — 504-586-5552

Hillenbrand Industries
Highway 46
Batesville, IN 47006 — Medical supplies
CEO: W August Hillenbrand — 812-934-7000

Hills Department Stores
15 Dan Road
Canton, MA 02021-9128 — Drug & discount stores
CEO: Michael Bozic — 617-821-1000

Hilton Hotels
9336 Civic Center Drive
Beverly Hills, CA 90209-5567 — Hotels & recreation
CEO: Barron Hilton — 310-278-4321

Home Depot
2727 Paces Ferry Road
Atlanta, GA 30339 — Home improvement stores
CEO: Bernard Marcus — 404-433-8211

HomeFed
5565 Morehouse Drive
San Diego, CA 92121 — Thrift
CEO: Thomas J Wageman — 619-450-7000

Honeywell
PO Box 524
Minneapolis, MN 55440 — Electrical equipment
CEO: James J Renier — 612-870-5200

Horace Mann Educators
1 Horace Mann Plaza
Springfield, IL 62715 — Diversified insurance
CEO: Paul J Kardos — 217-789-2500

Geo A Hormel
PO Box 800
Austin, MN 55912 — Food processing
CEO: Richard L Knowlton — 507-437-5611

Household International
2700 Sanders Road
Prospect Heights, IL 60070 — Lease & finance
CEO: Donald C Clark — 708-564-5000

Houston Industries
PO Box 4567
Houston, TX 77210 — Electric util-SC
CEO: Don D Jordan — 713-629-3000

Howard Savings Bank
200 South Orange Avenue
Livingston, NJ 07039 — Thrift
CEO: William P Tuggle III — 201-533-7400

Hubbell
PO Box 549
Orange, CT 06477-4024 — Electrical equipment
CEO: G J Ratcliffe — 203-799-4100

Humana
PO Box 1438
Louisville, KY 40201-1438 — Health care services
CEO: David A Jones — 502-580-1000

Huntington Bancshares
Huntington Center
Columbus, OH 43287 — Regional bank
CEO: Frank Wobst — 614-476-8300

I

IBP
PO Box 515
Dakota City, NE 68731 — Food processing
CEO: Robert L Peterson — 402-494-2061

ICH
100 Mallard Creek Road
Louisville, KY 40207 — Life & health insurance
CEO: Robert T Shaw — 502-894-2100

Illinois Central
233 North Michigan Avenue
Chicago, IL 60601-5799 — Railroad
CEO: Edward L Moyers — 312-819-7500

Illinois Power
500 South 27th Street
Decatur, IL 62525-1805 — Electric util-NC
CEO: Larry D Haab — 217-424-6600

Illinois Tool Works
3600 West Lake Avenue
Glenview, IL 60025-5811 — Misc industrial equip
CEO: John D Nichols — 708-724-7500

IMC Fertilizer Group
2100 Sanders Road
Northbrook, IL 60062 — Specialty chemicals
CEO: Billie B Turner — 708-272-9200

Imcera Group
2315 Sanders Road
Northbrook, IL 60062-6198 — Drugs
CEO: M Blake Ingle — 708-564-8600

INB Financial
One Indiana Square
Indianapolis, IN 46266 — Regional bank
CEO: Thomas M Miller — 317-266-6000

Ingersoll-Rand
200 Chestnut Ridge Road
Woodcliff Lake, NJ 07675 — Heavy equipment
CEO: Theodore H Black — 201-573-0123

Inland Steel Industries
30 West Monroe Street
Chicago, IL 60603 — Steel
CEO: Frank W Luerssen — 312-346-0300

Integra Financial
Four PPG Place
Pittsburgh, PA 15222-5408 — Regional bank
CEO: William F Roemer — 412-644-7669

Intel
3065 Bowers Avenue
Santa Clara, CA 95052-8126 — Computer peripherals
CEO: Andrew S Grove — 408-765-8080

Intelligent Electronics
411 Eagleview Boulevard
Exton, PA 19341 — Consumer electron strs
CEO: Richard D Sanford — 215-458-5500

Intergraph
One Madison Industrial Park
Huntsville, AL 35894-0001 — Computer systems
CEO: James W Meadlock — 205-730-2000

International Business Machines
Old Orchard Road
Armonk, NY 10504 — Computer systems
CEO: John F Akers — 914-765-1900

International Flavors & Fragrances
521 West 57th Street
New York, NY 10019 — Specialty chemicals
CEO: Eugene P Grisanti — 212-765-5500

International Game Technology
PO Box 10580
Reno, NV 89510-0580 — Computer peripherals
CEO: Charles N Mathewson — 702-688-0100

International Multifoods
Box 2942
Minneapolis, MN 55402 — Food processing
CEO: Anthony Luiso — 612-340-3300

International Paper
Two Manhattanville Road
Purchase, NY 10577 — Paper & lumber
CEO: John A Georges — 914-397-1500

Interpublic Group of Cos
1271 Avenue of the Americas
New York, NY 10020 — Publishing
CEO: Philip H Geier Jr — 212-399-8000

Ipalco Enterprises
PO Box 1595
Indianapolis, IN 46206-1595 — Electric util-NC
CEO: John R Hodowal — 317-261-8261

Itel
2 North Riverside Plaza
Chicago, IL 60606 — Computer systems
CEO: Samuel Zell — 312-902-1515

ITT
1330 Avenue of the Americas
New York, NY 10019-5490 — Property & casualty ins
CEO: Rand V Araskog — 212-258-1000

IVAX
8800 North West 36th Street
Miami, FL 33178-2404 — Drugs
CEO: Phillip Frost — 305-590-2200

J – K

James River Corp of Virginia
PO Box 2218
Richmond, VA 23217 — Personal products
CEO: Robert C Williams — 804-644-5411

Jefferson-Pilot
PO Box 21008
Greensboro, NC 27420 — Life & health insurance
CEO: W Roger Soles — 919-691-3000

Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933 — Medical supplies
CEO: Ralph S Larsen — 201-524-0400

Johnson Controls
PO Box 591
Milwaukee, WI 53201 — Auto parts
CEO: James H Keyes — 414-228-1200

Jostens
5501 Norman Center Drive
Minneapolis, MN 55437 — Specialty retailing
CEO: H William Lurton — 612-830-3300

JWP
2975 Westchester Avenue
Purchase, NY 10577 — Industrial services
CEO: Andrew T Dwyer — 914-935-4000

Kansas City Power & Light
PO Box 418679
Kansas City, MO 64141-9679 — Electric util-NC
CEO: Drue Jennings — 816-556-2200

Kansas Power & Light
PO Box 889
Topeka, KS 66601 — Gas distributor
CEO: John E Hayes Jr — 913-296-6300

Kellogg
PO Box 3599
Battle Creek, MI 49016-3599 — Food processing
CEO: Arnold G Langbo — 616-961-2000

Kemper
Kemper Center
Long Grove, IL 60049-0001 — Diversified insurance
CEO: David B Mathis — 708-540-2000

Kerr-McGee
PO Box 25861
Oklahoma City, OK 73125 — Miscellaneous energy
CEO: Frank A McPherson — 405-270-1313

KeyCorp
PO Box 88
Albany, NY 12201-0088 — Regional bank
CEO: Victor J Riley Jr — 518-486-8000

Kimberly-Clark
PO Box 619100
Dallas, TX 75261-9100 — Personal products
CEO: Wayne R Sanders — 214-830-1200

King World Productions
830 Morris Turnpike
Short Hills, NJ 07078 — Broadcasting
CEO: Michael King — 201-376-1313

Kmart
3100 West Big Beaver Road
Troy, MI 48084-3163 — Drug & discount stores
CEO: Joseph E Antonini — 313-643-1000

Knight-Ridder
One Herald Plaza
Miami, FL 33132-1693 — Publishing
CEO: James K Batten — 305-376-3800

Kroger
1014 Vine Street
Cincinnati, OH 45202-1100 — Supermarkets
CEO: Joseph A Pichler — 513-762-4000

KU Energy
One Quality Street
Lexington, KY 40507 — Electric util-SE
CEO: John T Newton — 606-255-2100

L

Leucadia National
315 Park Avenue South
New York, NY 10010 — Diversified insurance
CEO: Ian M Cumming — 212-460-1900

LG&E Energy
PO Box 32030
Louisville, KY 40232 — Electric util-SE
CEO: Roger W Hale — 502-627-2000

Liberty National Bancorp
PO Box 32500
Louisville, KY 40232-2500 — Regional bank
CEO: Joseph W Phelps — 502-566-2000

Eli Lilly
Lilly Corporate Center
Indianapolis, IN 46285 — Drugs
CEO: Vaughn D Bryson — 317-276-2000

Limited
PO Box 16000
Columbus, OH 43216 — Apparel stores
CEO: Leslie H Wexner — 614-479-7000

Lincoln National
PO Box 1110
Fort Wayne, IN 46801 — Diversified insurance
CEO: Ian M Rolland — 219-455-2000

Litton Industries
360 North Crescent Drive
Beverly Hills, CA 90210-4867 — Aerospace & defense
CEO: Orion L Hoch — 310-859-5000

Liz Claiborne
1441 Broadway
New York, NY 10018 — Textiles & apparel
CEO: Jerome A Chazen — 212-354-4900

Lockheed
4500 Park Granada Boulevard
Calabasas, CA 91399-0212 — Aerospace & defense
CEO: Daniel M Tellep — 818-876-2000

Loctite
Ten Columbus Boulevard
Hartford, CT 06106 — Specialty chemicals
CEO: Kenneth W Butterworth — 203-520-5000

Loews
667 Madison Avenue
New York, NY 10021-8087 — Diversified insurance
CEO: Laurence A Tisch — 212-545-2000

Long Island Lighting
175 East Old Country Road
Hicksville, NY 11801 — Electric util-NE
CEO: William J Catacosinos — 516-933-4590

Longs Drug Stores
PO Box 5222
Walnut Creek, CA 94596 — Drug & discount stores
CEO: Robert M Long — 415-937-1170

Loral
600 Third Avenue
New York, NY 10016 — Aerospace & defense
CEO: Bernard L Schwartz — 212-697-1105

Lotus Development
55 Cambridge Parkway
Cambridge, MA 02142 — Software
CEO: Jim P Manzi — 617-577-8500

Louisiana-Pacific
111 Southwest Fifth Avenue
Portland, OR 97204 — Paper & lumber
CEO: Harry A Merlo — 503-221-0800

Lowe's Cos
Box 1111
No Wilkesboro, NC 28656-0001 — Home improvement stores
CEO: Leonard G Herring — 919-651-4000

LTV
PO Box 655003
Dallas, TX 75265-5003 — Steel
CEO: David H Hoag — 214-979-7711

Lubrizol
29400 Lakeland Boulevard
Wickliffe, OH 44092-2298 — Specialty chemicals
CEO: Lester E Coleman — 216-943-4200

Lyondell Petrochemical
PO Box 3646
Houston, TX 77253-3646 — Specialty chemicals
CEO: Bob G Gower — 713-652-7200

M

Manpower
PO Box 2053
Milwaukee, WI 53201 — Business services
CEO: Mitchell Fromstein — 414-961-1000

Manufacturers National
Renaissance Center
Detroit, MI 48243 — Regional bank
CEO: Gerald V MacDonald — 313-222-4000

Manville
PO Box 5108
Denver, CO 80217-5108 — Misc building materials
CEO: W Thomas Stephens — 303-978-2000

Mapco
PO Box 645
Tulsa, OK 74101-0645 — Miscellaneous energy
CEO: James E Barnes — 918-581-1800

Marion Merrell Dow
PO Box 8480
Kansas City, MO 64114-0480 — Drugs
CEO: Frederick W Lyons Jr — 816-966-4000

Marriott
One Marriott Drive
Washington, DC 20058 — Hotels & recreation
CEO: J Willard Marriott Jr — 301-380-9000

Marsh & McLennan Cos
1166 Avenue of the Americas
New York, NY 10036 — Diversified insurance
CEO: Frank J Tasco — 212-345-5000

Marshall & Ilsley
770 North Water Street
Milwaukee, WI 53202 — Regional bank
CEO: John A Puelicher — 414-765-7801

Martin Marietta
6801 Rockledge Drive
Bethesda, MD 20817 — Aerospace & defense
CEO: Norman R Augustine — 301-897-6000

Masco
21001 Van Born Road
Taylor, MI 48180 — Misc building materials
CEO: Richard A Manoogian — 313-274-7400

Mattel
333 Continental Boulevard
El Segundo, CA 90245-5012 — Photography & toys
CEO: John W Amerman — 213-524-2000

Maxxam
PO Box 572887
Houston, TX 77257-2887 — Nonferrous metals
CEO: Charles E Hurwitz — 713-975-7600

May Department Stores
611 Olive Street
St Louis, MO 63101 — Department stores
CEO: David C Farrell — 314-342-6300

Maytag
403 West Fourth Street North
Newton, IA 50208 — Appliances
CEO: Leonard A Hadley — 515-792-8000

MBIA
113 King Street
Armonk, NY 10504 — Lease & finance
CEO: David H Elliott — 914-273-4545

MBNA
400 Christiana Road
Newark, DE 19713 — Lease & finance
CEO: Alfred Lerner — 302-453-9930

McCaw Cellular Communications
PO Box 97060
Kirkland, WA 98083-9760 — Telecommunications
CEO: Craig O McCaw — 206-827-4500

McCormick & Co
PO Box 6000
Sparks, MD 21152-6000 — Food processing
CEO: Charles P McCormick Jr — 410-771-7301

McDonald's
McDonald's Plaza
Oak Brook, IL 60521 — Supermarkets
CEO: Michael R Quinlan — 708-575-3000

McDonnell Douglas
PO Box 516
St Louis, MO 63166-0516 — Aerospace & defense
CEO: John F McDonnell — 314-232-0232

McGraw-Hill
1221 Avenue of the Americas
New York, NY 10020 — Publishing
CEO: Joseph L Dionne — 212-512-2000

MCI Communications
1801 Pennsylvania Avenue NW
Washington, DC 20006 — Telecommunications
CEO: Bert C Roberts Jr — 202-872-1600

McKesson
One Post Street
San Francisco, CA 94104 — Drugs
CEO: Alan Seelenfreund — 415-983-8300

Mead
Courthouse Plaza Northeast
Dayton, OH 45463 — Paper & lumber
CEO: Burnell R Roberts — 513-222-6323

Medco Containment Services
100 Summitt Avenue
Montvale, NJ 07645 — Drug & discount stores
CEO: Martin J Wygod — 201-358-5400

Medical Care International
5080 Spectrum Drive
Dallas, TX 75248 — Health care services
CEO: Donald E Steen — 214-851-2600

Medtronic
7000 Central Avenue NE
Minneapolis, MN 55432-3576 — Medical supplies
CEO: William W George — 612-574-4000

Mellon Bank
Mellon Bank Center
Pittsburgh, PA 15258-0001 — Regional bank
CEO: Frank V Cahouet — 412-234-5000

Melville
One Theall Road
Rye, NY 10580 — Apparel stores
CEO: Stanley P Goldstein — 914-925-4000

Mercantile Bancorporation
PO Box 524
St Louis, MO 63166-0524 — Regional bank
CEO: Thomas H Jacobsen — 314-425-2525

Mercantile Bankshares
PO Box 1477
Baltimore, MD 21203 — Regional bank
CEO: H Furlong Baldwin — 410-237-5900

Mercantile Stores
9450 Seward Road
Fairfield, OH 45014 — Department stores
CEO: David L Nichols — 513-860-8000

Merchants National
One Merchants Plaza
Indianapolis, IN 46255 — Regional bank
CEO: Otto N Frenzel III — 317-267-7000

Merck
PO Box 2000
Rahway, NJ 07065-0909 — Drugs
CEO: P Roy Vagelos — 908-594-4000

Mercury General
4484 Wilshire Boulevard
Los Angeles, CA 90010 — Property & casualty ins
CEO: George Joseph — 213-937-1060

Meridian Bancorp
PO Box 1102
Reading, PA 19603 — Regional bank
CEO: Samuel A McCullough — 215-655-2000

Merisel
200 Continental Boulevard
El Segundo, CA 90245-0984 — Computer peripherals
CEO: Michael D Pickett — 213-615-3080

Meritor Savings Bank
1212 Market Street
Philadelphia, PA 19107-4076 — Thrift
CEO: Roger S Hillas — 215-636-6000

Merrill Lynch
World Financial Center
New York, NY 10281-1332 — Securities brokerage
CEO: Daniel P Tully — 212-449-1000

Metro Mobile CTS
110 East 59th Street
New York, NY 10022 — Telecommunications
CEO: George L Lindemann — 212-605-0800

Metropolitan Financial
6800 France Avenue South
Minneapolis, MN 55435 — Thrift
CEO: Paul A Lipetzky — 612-928-5000

Fred Meyer
PO Box 42121
Portland, OR 97242-0121 — Drug & discount stores
CEO: Robert G Miller — 503-232-8844

Michigan National
PO Box 9065
Farmington Hills, MI 48333-9065 — Regional bank
CEO: Robert J Mylod — 313-473-3060

Microsoft
One Microsoft Way
Redmond, WA 98052-6399 — Software
CEO: William H Gates — 206-882-8080

Midlantic
PO Box 600
Edison, NJ 08818 — Regional bank
CEO: Garry J Scheuring — 908-321-8000

Midwest Resources
PO Box 9244
Des Moines, IA 50306-9244 — Electric util-NC
CEO: Mark W Putney — 515-242-4300

Millipore
80 Ashby Road
Bedford, MA 01730 — Medical supplies
CEO: John A Gilmartin — 617-275-9200

Minnesota Mining & Manufacturing
3M Center
St Paul, MN 55144-1000 — Business supplies
CEO: Livio D DeSimone — 612-733-1110

Minnesota Power & Light
30 West Superior Street
Duluth, MN 55802 — Electric util-NC
CEO: Arend J Sandbulte — 218-722-2641

MNC Financial
PO Box 987
Baltimore, MD 21203 — Regional bank
CEO: Frank P Bramble — 410-605-5000

Mobil
3225 Gallows Road
Fairfax, VA 22037-0001 — International oil
CEO: Allen E Murray — 703-846-3000

Molex
2222 Wellington Court
Lisle, IL 60532-1682 — Computer peripherals
CEO: Frederick A Krehbiel — 708-969-4550

Monsanto
800 North Lindbergh Boulevard
St Louis, MO 63167 — Diversified chemicals
CEO: Richard J Mahoney — 314-694-1000

Montana Power
40 East Broadway
Butte, MT 59701 — Electric util W
CEO: Daniel T Berube — 406-723-5421

JP Morgan & Co
60 Wall Street
New York, NY 10260-0060 — Multinational bank
CEO: Dennis Weatherstone — 212-483-2323

Morgan Stanley Group
1251 Avenue of the Americas
New York, NY 10020 — Securities brokerage
CEO: Richard B Fisher — 212-703-4000

Morrison Knudsen
PO Box 73
Boise, ID 83707 — Commercial builder
CEO: William J Agee — 208-386-5000

Morton International
100 North Riverside Plaza
Chicago, IL 60606 — Specialty chemicals
CEO: Charles S Locke — 312-807-2000

Motorola
1303 East Algonquin Road
Schaumburg, IL 60196 — Computer peripherals
CEO: George M C Fisher — 708-576-5000

Multibank Financial
100 Rustcraft Road
Dedham, MA 02026-9124 — Regional bank
CEO: David B Lynch — 617-461-1820

Murphy Oil
200 Peach Street
El Dorado, AR 71730 — Miscellaneous energy
CEO: Jack W McNutt — 501-862-6411

Mylan Laboratories
1030 Century Building
Pittsburgh, PA 15222 — Drugs
CEO: Roy McKnight — 412-232-0100

N

Nalco Chemical
One Nalco Center
Naperville, IL 60563-1198 — Specialty chemicals
CEO: Worley H Clark Jr — 708-305-1000

Nash Finch
3381 Gorham Avenue
St Louis Park, MN 55426 — Food wholesaler
CEO: Harold B Finch Jr — 612-929-0371

National City
1900 East Ninth Street
Cleveland, OH 44114-3484 — Regional bank
CEO: Edward B Brandon — 216-575-2000

National Community Banks
385 Rifle Camp Road
West Patterson, NJ 07424 — Regional bank
CEO: Robert M Kossick — 201-845-1000

National Health Laboratories
7590 Fay Avenue
La Jolla, CA 92037 — Health care services
CEO: Robert E Draper — 619-454-3314

National Intergroup
1220 Senlac Drive
Carrollton, TX 75006 — Drugs
CEO: Abbey J Butler — 214-446-9090

National Medical Enterprises
PO Box 4070
Santa Monica, CA 90404 — Health care services
CEO: Richard K Eamer — 213-315-8000

National Semiconductor
PO Box 58090
Santa Clara, CA 95052-8090 — Computer peripherals
CEO: Gilbert F Amelio — 408-721-5000

National Service Industries
1420 Peachtree Street NE
Atlanta, GA 30309 — Electrical equipment
CEO: Sidney Kirschner — 404-853-1000

NationsBank
Nations Bank Plaza
Charlotte, NC 28255 — Regional bank
CEO: Hugh L McColl Jr — 704-386-5000

Navistar International
455 North Cityfront Plaza Dr
Chicago, IL 60611 — Autos & trucks
CEO: James C Cotting — 312-836-2000

NBD Bancorp
611 Woodward Avenue
Detroit, MI 48226 — Regional bank
CEO: Charles T Fisher III — 313-225-1000

New England Electric System
25 Research Drive
Westborough, MA 01582 — Electric util-NE
CEO: John W Rowe — 508-366-9011

New York State Electric & Gas
PO Box 287
Ithaca, NY 14851 — Electric util-NE
CEO: James A Carrigg — 607-347-4131

New York Times
229 West 43rd Street
New York, NY 10036 — Publishing
CEO: Arthur Ochs Sulzberger — 212-556-1234

Newell Co
29 East Stephenson Street
Freeport, IL 61032 — Home furnishings
CEO: Daniel C Ferguson — 815-235-4171

Newmont Mining
1700 Lincoln Street
Denver, CO 80203 — Nonferrous metals
CEO: Gordon R Parker — 303-863-7414

Niagara Mohawk Power
300 Erie Boulevard West
Syracuse, NY 13202 — Electric util-NE
CEO: William J Donlon — 315-474-1511

Nicor
PO Box 3014
Naperville, IL 60566-7014 — Gas distributor
CEO: Richard G Cline — 708-305-9500

NIKE
One Bowerman Drive
Beaverton, OR 97005 — Textiles & apparel
CEO: Philip H Knight — 503-671-6453

Nipsco Industries
5265 Hohman Avenue
Hammond, IN 46320 — Electric util-NC
CEO: Edmund A Schroer — 219-853-5200

Nordstrom
1501 Fifth Avenue
Seattle, WA 98101-1603 — Apparel stores
CEO: Bruce A Nordstrom — 206-628-2111

Norfolk Southern
Three Commercial Place
Norfolk, VA 23510-2191 — Railroad
CEO: Arnold B McKinnon — 804-629-2600

Northeast Bancorp
PO Box 900
Shelton, CT 06484-0863 — Regional bank
CEO: Frank J Kugler Jr — 203-929-5552

Northeast Federal
50 State House Square
Hartford, CT 06103 — Thrift
CEO: George P Rutland — 203-280-1000

Northeast Utilities
PO Box 270
Hartford, CT 06141-0270 — Electric util-NE
CEO: William B Ellis — 203-665-5000

Northern States Power
414 Nicollet Mall
Minneapolis, MN 55401 — Electric util-NC
CEO: James J Howard — 612-330-5500

Northern Trust
50 South LaSalle Street
Chicago, IL 60675 — Regional bank
CEO: David W Fox — 312-630-6000

Northrop
1840 Century Park East
Los Angeles, CA 90067-2199 — Aerospace & defense
CEO: Kent Kresa — 310-553-6262

Norwest
Norwest Center
Minneapolis, MN 55479-1006 — Regional bank
CEO: Lloyd P Johnson — 612-667-1234

Novell
122 East 1700 South
Provo, UT 84606-6194 — Software
CEO: Raymond J Noorda — 801-429-7000

Nucor
2100 Rexford Road
Charlotte, NC 28211 — Steel
CEO: F Kenneth Iverson — 704-366-7000

NWNL
20 Washington Avenue South
Minneapolis, MN 55401 — Life & health insurance
CEO: John G Turner — 612-372-5432

Nynex
335 Madison Avenue
New York, NY 10017 — Telecommunications
CEO: William C Ferguson — 212-370-7400

O – P

Occidental Petroleum
10889 Wilshire Boulevard
Los Angeles, CA 90024 — Miscellaneous energy
CEO: Ray R Irani — 310-208-8800

Office Depot
2200 Old Germantown Road
Delray Beach, FL 33445 — Specialty retailing
CEO: David I Fuente — 407-278-4800

Ogden
Two Pennsylvania Plaza
New York, NY 10121 — Industrial services
CEO: R Richard Ablon — 212-868-6100

Ohio Casualty
136 North Third Street
Hamilton, OH 45025 — Property & casualty ins
CEO: Joseph L Marcum — 513-867-3000

Ohio Edison
76 South Main Street
Akron, OH 44308-1890 — Electric util-MC
CEO: Justin T Rogers Jr — 216-384-5100

Oklahoma Gas & Electric
PO Box 321
Oklahoma City, OK 73101-0321 — Electric util-SC
CEO: James G Harlow Jr — 405-272-3000

Old Kent Financial
One Vandenberg Center
Grand Rapids, MI 49503 — Regional bank
CEO: John C Canepa — 616-771-5000

Old Republic International
307 North Michigan Avenue
Chicago, IL 60601 — Diversified insurance
CEO: A C Zucaro — 312-346-8100

Olin
PO Box 1355
Stamford, CT 06904-1355 — Diversified chemicals
CEO: John W Johnstone Jr — 203-356-2000

Oracle Systems
500 Oracle Parkway
Redwood City, CA 94065 — Software
CEO: Lawrence J Ellison — 415-506-7000

Oryx Energy
PO Box 2880
Dallas, TX 75221-2880 — Miscellaneous energy
CEO: Robert P Hauptfuhrer — 214-715-4000

Owens-Corning Fiberglas
Fiberglas Tower
Toledo, OH 43659 — Misc building materials
CEO: Glen H Hiner — 419-248-8000

Owens-Illinois
One SeaGate
Toledo, OH 43666 — Packaging
CEO: Joseph H Lemieux — 419-247-5000

Paccar
PO Box 1518
Bellevue, WA 98009 — Autos & trucks
CEO: Charles M Pigott — 206-455-7400

Pacific Enterprises
633 West 5th Street
Los Angeles, CA 90071-2006 — Integrated gas
CEO: Willis B Wood Jr — 213-895-5000

Pacific Gas & Electric
77 Beale Street
San Francisco, CA 94106 — Electric util-W
CEO: Richard A Clarke — 415-973-7000

Pacific Telesis Group
130 Kearny Street
San Francisco, CA 94108 — Telecommunications
CEO: Sam Ginn — 415-394-3000

PacifiCorp
700 NE Multnomah Street
Portland, OR 97232-4116 — Electric util-W
CEO: Al M Gleason — 503-731-2000

PaineWebber Group
1285 Avenue of the Americas
New York, NY 10019 — Securities brokerage
CEO: Donald B Marron — 212-713-2000

Pall
2200 Northern Boulevard
East Hills, NY 11548 — Medical supplies
CEO: Maurice G Hardy — 516-484-5400

Panhandle Eastern
PO Box 1642
Houston, TX 77251-1642 — Gas producer/pipeliner
CEO: Dennis R Hendrix — 713-627-5400

Paramount Communications
15 Columbus Circle
New York, NY 10023-7780 — Broadcasting
CEO: Martin S Davis — 212-373-8000

Parker Hannifin
17325 Euclid Avenue
Cleveland, OH 44112-1290 — Misc industrial equip
CEO: Paul G Schloemer — 216-531-3000

Penn Central
One East Fourth Street
Cincinnati, OH 45202 — Property & casualty ins
CEO: Carl H Lindner — 513-579-6600

Penn Traffic
319 Washington Street
Johnstown, PA 15901 — Supermarkets
CEO: Claude Incaudo — 814-536-9900

JC Penney
PO Box 659000
Dallas, TX 75265-9000 — Department stores
CEO: William R Howell — 214-591-1000

Pennsylvania Power & Light
Two North Ninth Street
Allentown, PA 18101-1179 — Electric util-NE
CEO: John T Kauffman — 215-774-5151

Pennzoil
PO Box 2967
Houston, TX 77252-2967 — Miscellaneous energy
CEO: James L Pate — 713-546-4000

People's Bank
850 Main Street
Bridgeport, CT 06604-4913 — Thrift
CEO: David E A Carson — 203-338-7171

Peoples Energy
122 South Michigan Avenue
Chicago, IL 60603-9942 — Miscellaneous energy
CEO: Richard E Terry — 312-431-4000

PepsiCo
700 Anderson Hill Road
Purchase, NY 10577 — Beverages
CEO: D Wayne Calloway — 914-253-2000

Pet
PO Box 392
St Louis, MO 63166 — Food processing
CEO: Miles L Marsh — 314-622-7700

Pfizer
235 East 42nd Street
New York, NY 10017-5755 — Drugs
CEO: William C Steere Jr — 212-573-2323

Phelps Dodge
2600 North Central Avenue
Phoenix, AZ 85004-3014 — Nonferrous metals
CEO: Douglas C Yearley — 602-234-8100

PHH
11333 McCormick Road
Hunt Valley, MD 21031 — Business services
CEO: Robert D Kunisch — 301-771-3600

Philadelphia Electric
PO Box 8699
Philadelphia, PA 19101 — Electric util-NE
CEO: Joseph F Paquette Jr — 215-841-4000

Philip Morris Cos
120 Park Avenue
New York, NY 10017 — Tobacco
CEO: Michael A Miles — 212-880-5000

Phillips Petroleum
Phillips Building
Bartlesville, OK 74004 — Miscellaneous energy
CEO: C J Silas — 918-661-6600

PHM
33 Bloomfield Hills Parkway
Bloomfield Hills, MI 48304 — Residential builder
CEO: William J Pulte — 313-647-2750

Pinnacle West Capital
PO Box 52132
Phoenix, AZ 85072-2132 — Electric util-W
CEO: Richard Snell — 602-379-2500

Pioneer Hi-Bred International
400 Locust Street
Des Moines, IA 50309 — Food processing
CEO: Thomas N Urban — 515-245-3500

Pitney Bowes
World Headquarters
Stamford, CT 06926-0700 — Business supplies
CEO: George B Harvey — 203-356-5000

Pittston
PO Box 120070
Stamford, CT 06912-0070 — Trucking & shipping
CEO: Joseph C Farrell — 203-978-5200

PNC Financial
Fifth Avenue & Wood Street
Pittsburgh, PA 15222 — Regional bank
CEO: Thomas H O'Brien — 412-762-2666

Polaroid
549 Technology Square
Cambridge, MA 02139 — Photography & toys
CEO: I MacAllister Booth — 617-577-2000

Policy Management Systems
PO Box Ten
Columbia, SC 29202 — Business services
CEO: G Larry Wilson — 803-735-4000

Potomac Electric Power
1900 Pennsylvania Avenue NW
Washington, DC 20068 — Electric util-NE
CEO: Edward F Mitchell — 202-872-2000

PPG Industries
One PPG Place
Pittsburgh, PA 15272 — Auto parts
CEO: Vincent A Sarni — 412-434-3131

Premark International
1717 Deerfield Road
Deerfield, IL 60015 — Home furnishings
CEO: Warren L Batts — 708-405-6000

Premier Bancorp
PO Box 1511
Baton Rouge, LA 70821 — Regional bank
CEO: G Lee Griffin — 504-332-4011

Premier Industrial
4500 Euclid Avenue
Cleveland, OH 44103 — Electrical equipment
CEO: Morton L Mandel — 216-391-8300

Price Co
PO Box 85466
San Diego, CA 92186-5466 — Specialty retailing
CEO: Robert E Price — 619-581-4600

Primerica
65 East 55th Street
New York, NY 10022 — Lease & finance
CEO: Sanford I Weill — 212-891-8900

Procter & Gamble
One Procter & Gambie Plaza
Cincinnati, OH 45202 — Personal products
CEO: Edwin L Artzt — 513-983-1100

Progressive
6000 Parkland Boulevard
Mayfield Heights, OH 44124 — Property & casualty ins
CEO: Peter B Lewis — 216-464-8000

Provident Life & Accident
One Fountain Square
Chattanooga, TN 37402 — Life & health insurance
CEO: Winston W Walker — 615-755-1011

Public Service Co of Colorado
PO Box 840
Denver, CO 80201-0840 — Electric util-W
CEO: Delwin D Hock — 303-571-7511

Public Service Co of New Hampshire
PO Box 330
Manchester, NH 03105 — Electric util-NE
CEO: Leon E Maglathlin Jr — 603-669-4000

Public Service Enterprise Group
PO Box 1171
Newark, NJ 07101-1171 — Electric util-NE
CEO: E James Ferland — 201-430-7000

Puget Sound Bancorp
PO Box 11500
Tacoma, WA 98411-5500 — Regional bank
CEO: William W Philip — 206-593-3600

Puget Sound Power & Light
411 108th Avenue NE
Bellevue, WA 98004-5515 — Electric util-W
CEO: John W Ellis — 206-454-6363

Q – R

Quaker Oats
PO Box 049001
Chicago, IL 60604-9001 — Food processing
CEO: William D Smithburg — 312-222-7111

Quantum Chemical
99 Park Avenue
New York, NY 10016 — Diversified chemicals
CEO: John Hoyt Stookey — 212-949-5000

Questar
PO Box 11150
Salt Lake City, UT 84147 — Integrated gas
CEO: R D Cash — 801-534-5000

Ralston Purina
Checkerboard Square
St Louis, MO 63164 — Food processing
CEO: William P Stiritz — 314-982-1000

Raytheon
141 Spring Street
Lexington, MA 02173 — Aerospace & defense
CEO: Dennis J Picard — 617-862-6600

Reader's Digest Association
Reader's Digest Road
Pleasantville, NY 10570-7000 — Publishing
CEO: George V Grune — 914-238-1000

Reebok International
100 Technology Center Drive
Stoughton, MA 02072 — Textiles & apparel
CEO: Paul B Fireman — 617-341-5000

Reliance Group Holdings
55 East 52nd Street
New York, NY 10055 — Diversified insurance
CEO: Saul P Steinberg — 212-909-1100

Republic New York
452 Fifth Avenue
New York, NY 10018 — Multinational bank
CEO: Walter H Weiner — 212-525-6000

Reynolds Metals
PO Box 27003
Richmond, VA 23261-7003 — Nonferrous metals
CEO: William O Bourke — 804-281-2000

Rhône-Poulenc Rorer
500 Arcola Drive
Collegeville, PA 19426 — Drugs
CEO: Robert E Cawthorn — 215-454-6800

Riggs National
1503 Pennsylvania Avenue NW
Washington, DC 20005 — Regional bank
CEO: Joe L Allbritton — 202-835-6000

Rite Aid
PO Box 3165
Harrisburg, PA 17105 — Drug & discount stores
CEO: Alex Grass — 717-761-2633

RJR Nabisco
1301 Avenue of the Americas
New York, NY 10019 — Tobacco
CEO: Louis V Gerstner Jr — 212-258-5600

Roadway Services
PO Box 88
Akron, OH 44309-0088 — Trucking & shipping
CEO: Joseph M Clapp — 216-384-8184

Rochester Community Savings Bank
40 Franklin Street
Rochester, NY 14604 — Thrift
CEO: Leonard S Simon — 716-262-5800

Rochester Telephone
180 South Clinton Avenue
Rochester, NY 14646 — Telecommunications
CEO: Ronald L Bittner — 716-777-1000

Rockwell International
2201 Seal Beach Boulevard
Seal Beach, CA 90740-8250 — Aerospace & defense
CEO: Donald R Beall — 310-797-3311

Rohm & Haas
Independence Mall West
Philadelphia, PA 19105 — Diversified chemicals
CEO: J Lawrence Wilson — 215-592-3000

Rouse
10275 Little Patuxent Parkway
Columbia, MD 21044 — Lease & finance
CEO: Mathias J DeVito — 401-992-6000

Rubbermaid
1147 Akron Road
Wooster, OH 44691 — Home furnishings
CEO: Walter W Williams — 216-264-6464

Russell
PO Box 272
Alexander City, AL 35010-0272 — Textiles & apparel
CEO: Eugene C Gwaltney — 205-329-4000

Ryder System
3600 Northwest 82nd Avenue
Miami, FL 33166 — Lease & finance
CEO: M Anthony Burns — 305-593-3726

Ryland Group
PO Box 4000
Columbia, MD 21044 — Residential builder
CEO: Roger W Schipke — 410-715-7000

S

Safeco
Safeco Plaza
Seattle, WA 98185 — Diversified insurance
CEO: Roger H Eigsti — 206-545-5000

Safety-Kleen
777 Big Timber Road
Elgin, IL 60123 — Industrial services
CEO: Donald W Brinckman — 708-697-8460

Safeway
Fourth & Jackson Streets
Oakland, CA 94660 — Supermarkets
CEO: Peter A Magowan — 510-891-3000

St Jude Medical
One Lillehei Plaza
St Paul, MN 55117 — Medical supplies
CEO: Lawrence A Lehmkuhl — 612-483-2000

St Paul Bancorp
6700 West North Avenue
Chicago, IL 60635 — Thrift
CEO: Joseph C Scully — 312-622-5000

St Paul Cos
385 Washington Street
St Paul, MN 55102 — Property & casualty ins
CEO: Douglas W Leatherdale — 612-221-7911

Sallie Mae
1050 Thomas Jefferson St NW
Washington, DC 20007 — Lease & finance
CEO: Lawrence A Hough — 202-333-8000

Salomon
7 World Trade Center
New York, NY 10048 — Securities brokerage
CEO: Warren E Buffett — 212-783-7000

San Diego Gas & Electric
PO Box 1831
San Diego, CA 92112 — Electric util-W
CEO: Thomas A Page — 619-696-2000

Santa Fe Pacific
1700 East Golf Road
Schaumburg, IL 60173-5860 — Railroad
CEO: Robert D Krebs — 708-995-6000

Sara Lee
Three First National Plaza
Chicago, IL 60602-4260 — Food processing
CEO: John H Bryan — 312-726-2600

Scana
1426 Main Street
Columbia, SC 29201 — Electric util-SE
CEO: Lawrence M Gressette Jr — 803-748-3000

SCEcorp
PO Box 999
Rosemead, CA 91770 — Electric util-W
CEO: John E Bryson — 818-302-1212

Schering-Plough
One Giralda Farms
Madison, NJ 07940-1000 — Drugs
CEO: Robert P Luciano — 201-822-7000

Charles Schwab
101 Montgomery Street
San Francisco, CA 94104 — Securities brokerage
CEO: Charles R Schwab — 415-627-7000

Scott Paper
Scott Plaza
Philadelphia, PA 19113 — Personal products
CEO: Philip E Lippincott — 215-522-5000

EW Scripps
PO Box 5380
Cincinnati, OH 45201 — Publishing
CEO: Lawrence A Leser — 513-977-3000

Seagate Technology
920 Disc Drive
Scotts Valley, CA 95066 — Computer peripherals
CEO: Alan F Shugart — 408-438-6550

Sears, Roebuck
Sears Tower
Chicago, IL 60684 — Department stores
CEO: Edward A Brennan — 312-875-2500

Security Pacific
333 South Hope Street
Los Angeles, CA 90071 — Multinational bank
CEO: Robert H Smith — 213-345-6211

Sequa
200 Park Avenue
New York, NY 10166 — Aerospace & defense
CEO: Norman E Alexander — 212-986-5500

Service Corp International
PO Box 130548
Houston, TX 77219-0548 — Personal products
CEO: Robert L Waltrip — 713-522-5141

Service Merchandise
PO Box 24600
Nashville, TN 37202-4600 — Specialty retailing
CEO: Raymond Zimmerman — 615-660-6000

SFFed Corp
88 Kearny Street
San Francisco, CA 94108-5591 — Thrift
CEO: Roger L Gordon — 415-955-5800

Shaw Industries
PO Drawer 2128
Dalton, GA 30722-2128 — Textiles & apparel
CEO: Robert E Shaw — 404-278-3812

Shawmut National
777 Main Street
Hartford, CT 06115 — Regional bank
CEO: Joel B Alvord — 203-728-2000

Sherwin-Williams
101 Prospect Avenue NW
Cleveland, OH 44115-1075 — Specialty chemicals
CEO: John G Breen — 216-566-2000

ShopKo Stores
PO Box 19060
Green Bay, WI 54307-9060 — Drug & discount stores
CEO: Dale P Kramer — 414-497-2211

Sigma-Aldrich
3050 Spruce Street
St Louis, MO 63103 — Specialty chemicals
CEO: Carl T Cori — 314-771-5765

Signet Banking
PO Box 25970
Richmond, VA 23260 — Regional bank
CEO: Robert M Freeman — 804-747-2000

Smith's Food & Drug Centers
1550 South Redwood Road
Salt Lake City, UT 84104 — Supermarkets
CEO: Jeffrey P Smith — 801-974-1400

Snap-on Tools
2801 80th Street
Kenosha, WI 53141-1410 — Auto parts
CEO: Robert A Cornog — 414-656-5200

Society
800 Superior Avenue
Cleveland, OH 44114-2692 — Regional bank
CEO: Robert W Gillespie — 216-689-3000

Society for Savings
PO Box 2200
Hartford, CT 06145-2200 — Thrift
CEO: Lawrence Connell — 203-727-5000

Sonat
PO Box 2563
Birmingham, AL 35202-2563 — Gas producer/pipeliner
CEO: Ronald L Kuehn Jr — 205-325-3800

Sonoco Products
PO Box 160
Hartsville, SC 29550-0160 — Packaging
CEO: Charles W Coker — 803-383-7000

Southern Co
64 Perimeter Center East
Atlanta, GA 30346 — Electric util-SE
CEO: Edward L Addison — 404-393-0650

Southern National
PO Box 1489
Lumberton, NC 28359 — Regional bank
CEO: L Glenn Orr Jr — 919-671-2000

Southern New England Telecommunications
PO Box 1562
New Haven, CT 06510 — Telecommunications
CEO: Walter H Monteith Jr — 203-771-5200

SouthTrust
PO Box 2554
Birmingham, AL 35290 — Regional bank
CEO: Wallace D Malone Jr — 205-254-5679

Southwest Airlines
PO Box 36611
Dallas, TX 75235-1611 — Airline
CEO: Herbert D Kelleher — 214-904-4000

Southwest Gas
PO Box 98510
Las Vegas, NV 89193-8510 — Gas distributor
CEO: Kenny C Guinn — 702-876-7173

Southwestern Bell
One Bell Center
St Louis, MO 63101-3099 — Telecommunications
CEO: Edward E Whitacre Jr — 314-235-9800

Southwestern Public Service
PO Box 1261
Amarillo, TX 79170 — Electric util-SC
CEO: Bill D Helton — 806-378-2121

Spiegel
1515 West 22nd Street
Oak Brook, IL 60522 — Specialty retailing
CEO: John J Shea — 708-986-8800

Springs Industries
PO Box 70
Fort Mill, SC 29715 — Home furnishings
CEO: Walter Y Elisha — 803-547-3650

Sprint
PO Box 11315
Kansas City, MO 64112 — Telecommunications
CEO: William T Esrey — 913-624-3000

Standard Federal Bank
2600 West Big Beaver Road
Troy, MI 48084 — Thrift
CEO: Thomas R Ricketts — 313-643-9600

Stanley Works
1000 Stanley Drive
New Britain, CT 06053 — Misc industrial equip
CEO: Richard H Ayers — 203-225-5111

Star Banc
425 Walnut Street
Cincinnati, OH 45202 — Regional bank
CEO: Oliver W Waddell — 513-632-4000

State Street Boston
Box 351
Boston, MA 02101 — Regional bank
CEO: Marshall N Carter — 617-786-3000

Stone Container
150 North Michigan Avenue
Chicago, IL 60601-7568 — Packaging
CEO: Roger W Stone — 312-346-6600

Stop & Shop Companies
PO Box 369
Boston, MA 02101 — Supermarkets
CEO: Lewis G Schaeneman Jr — 617-380-8000

Storage Technology
2270 South 88th Street
Louisville, CO 80028-4309 — Computer peripherals
CEO: Ryal R Poppa — 303-673-5151

Stride Rite
Five Cambridge Center
Cambridge, MA 02142 — Textiles & apparel
CEO: Ervin R Shames — 617-491-8800

Stryker
PO Box 4085
Kalamazoo, MI 49003-4085 — Medical supplies
CEO: John W Brown — 616-385-2600

Sumitomo Bank of California
320 California Street
San Francisco, CA 94104 — Regional bank
CEO: Tadaichi Ikagawa — 415-445-8000

Summit Bancorp
One Main Street
Chatham, NJ 07928 — Regional bank
CEO: Thomas D Sayles Jr — 201-701-6200

Sun Co
100 Matsonford Road
Radnor, PA 19087-4597 — Miscellaneous energy
CEO: Robert H Campbell — 215-293-6000

Sun Microsystems
2550 Garcia Avenue
Mountain View, CA 94043-1100 — Computer systems
CEO: Scott G McNealy — 415-960-1300

Sundstrand
PO Box 7003
Rockford, IL 61125-7003 — Aerospace & defense
CEO: Harry C Stonecipher — 815-226-6000

SunTrust Banks
PO Box 4418
Atlanta, GA 30302 — Regional bank
CEO: James B Williams — 404-588-7711

Sunwest Financial Service
PO Box 25500
Albuquerque, NM 87125-0500 — Regional bank
CEO: Ike Kalangis — 505-765-2403

Super Food Services
Kettering Box 2323
Dayton, OH 45429 — Food wholesaler
CEO: Jack Twyman — 513-439-7500

Super Valu Stores
PO Box 990
Minneapolis, MN 55440 — Food wholesaler
CEO: Michael W Wright — 612-828-4000

Surgical Care Affiliates
102 Woodmont Boulevard
Nashville, TN 37205 — Health care services
CEO: Joel C Gordon — 615-385-3541

Sysco
1390 Enclave Parkway
Houston, TX 77077-2027 — Food wholesaler
CEO: John F Woodhouse — 713-584-1390

T

T2 Medical
1121 Alderman Drive
Alpharetta, GA 30202 — Health care services
CEO: Thomas E Haire — 404-442-2160

Tambrands
777 Westchester Avenue
White Plains, NY 10604 — Personal products
CEO: Martin F C Emmett — 914-696-6000

Tandem Computers
19333 Vallco Parkway
Cupertino, CA 95014-2599 — Computer systems
CEO: James G Treybig — 408-285-6000

Tandy
PO Box 17180
Fort Worth, TX 76102 — Consumer electron strs
CEO: John V Roach — 817-390-3700

TCF Financial
801 Marquette Avenue
Minneapolis, MN 55402 — Thrift
CEO: William A Cooper — 612-370-7000

TECO Energy
PO Box 111
Tampa, FL 33601 — Electric util-SE
CEO: Timothy L Guzzle — 813-228-4111

Tele-Communications
PO Box 5630
Denver, CO 80217 — Broadcasting
CEO: John C Malone — 303-267-5500

Teledyne
1901 Avenue of the Stars
Los Angeles, CA 90067-6046 — Aerospace & defense
CEO: William P Rutledge — 213-277-3311

Temple-Inland
Drawer N
Diboll, TX 75941 — Packaging
CEO: Clifford J Grum — 409-829-2211

Tenneco
PO Box 2511
Houston, TX 77252-2511 — Heavy equipment
CEO: Michael H Walsh — 713-757-2131

Texaco
2000 Westchester Avenue
White Plains, NY 10650 — International oil
CEO: James W Kinnear — 914-253-4000

Texas Instruments
PO Box 655474
Dallas, TX 75265 — Computer peripherals
CEO: Jerry R Junkins — 214-995-2011

Texas Utilities
2001 Bryan Tower
Dallas, TX 75201 — Electric util-SC
CEO: Jerry S Farrington — 214-812-4600

Textron
40 Westminster Street
Providence, RI 02903 — Aerospace & defense
CEO: James F Hardymon — 401-421-2800

Time Warner
75 Rockefeller Plaza
New York, NY 10019 — Publishing
CEO: Steven J Ross — 212-484-8000

Times Mirror
Times Mirror Square
Los Angeles, CA 90053 — Publishing
CEO: Robert F Erburu — 213-237-3700

Timken
1835 Dueber Avenue SW
Canton, OH 44706-2798 — Misc industrial equip
CEO: William R Timken Jr — 216-438-3000

TJX Cos
770 Cochituate Road
Framingham, MA 01701 — Apparel stores
CEO: Bernard Cammarata — 508-390-3000

Torchmark
2001 Third Avenue South
Birmingham, AL 35233 — Life & health insurance
CEO: Ronald K Richey — 205-325-4200

Tosco
72 Cummings Point Road
Stamford, CT 06902 — Miscellaneous energy
CEO: Thomas D O'Malley — 203-977-1000

Toys 'R' Us
461 From Road
Paramus, NJ 07652 — Specialty retailing
CEO: Charles Lazarus — 201-262-7800

Transamerica
600 Montgomery Street
San Francisco, CA 94111 — Diversified insurance
CEO: Frank C Herringer — 415-983-4000

Transco Energy
PO Box 1396
Houston, TX 77251 — Gas producer/pipeliner
CEO: John P DesBarres — 713-439-2000

Travelers
One Tower Square
Hartford, CT 06183-1060 — Diversified insurance
CEO: Edward H Budd — 203-277-0111

Tribune
435 North Michigan Avenue
Chicago, IL 60611 — Publishing
CEO: Charles T Brumback — 312-222-9100

Trinova
PO Box 50
Maumee, OH 43537-0050 — Misc industrial equip
CEO: Darryl F Allen — 419-867-2200

Trustmark
PO Box 291
Jackson, MS 39205-0291 — Regional bank
CEO: Frank R Day — 601-354-5111

TRW
1900 Richmond Road
Cleveland, OH 44124-3760 — Auto parts
CEO: Joseph T Gorman — 216-291-7000

Turner Broadcasting System
One CNN Center
Atlanta, GA 30303 — Broadcasting
CEO: Robert E Turner — 404-827-1700

Turner Corp
375 Hudson Street
New York, NY 10014 — Commercial builder
CEO: Alfred T McNeill — 212-229-6000

TW Holdings
203 East Main Street
Spartanburg, SC 29319 — Food wholesaler
CEO: Jerome J Richardson — 803-597-8000

20th Century Industries
6301 Owensmouth Avenue
Woodland Hills, CA 91367 — Property & casualty ins
CEO: Louis W Foster — 818-704-3700

Tyco Laboratories
One Tyco Park
Exeter, NH 03833 — Misc industrial equip
CEO: John F Fort — 603-778-9700

Tyson Foods
PO Box 2020
Springdale, AR 72765-2020 — Food processing
CEO: Leland Tollett — 501-756-4000

U

UAL
PO Box 66919
Chicago, IL 60666 — Airline
CEO: Stephen M Wolf — 708-952-4000

UJB Financial
PO Box 2066
Princeton, NJ 08543-2066 — Regional bank
CEO: T Joseph Semrod — 609-987-3200

Unifi
PO Box 19109
Greensboro, NC 27419 — Textiles & apparel
CEO: William T Kretzer — 919-294-4410

Union Bank
350 California Street
San Francisco, CA 94104-1476 — Regional bank
CEO: Taisuke Shimizu — 415-445-0200

Union Camp
1600 Valley Road
Wayne, NJ 07470 — Paper & lumber
CEO: Raymond E Cartledge — 201-628-2000

Union Carbide
39 Old Ridgebury Road
Danbury, CT 06817-0001 — Diversified chemicals
CEO: Robert D Kennedy — 203-794-2000

Union Electric
PO Box 149
St Louis, MO 63166 — Electric util-NC
CEO: William E Cornelius — 314-621-3222

Union Pacific
Eighth & Eaton Avenues
Bethlehem, PA 18018 — Railroad
CEO: Drew Lewis — 215-861-3200

Union Planters
67 Madison Avenue
Memphis, TN 38103 — Regional bank
CEO: Benjamin W Rawlins Jr — 901-383-6000

Union Texas Petroleum Holdings
PO Box 2120
Houston, TX 77252-2120 — Miscellaneous energy
CEO: A Clark Johnson — 713-623-6544

Unisys
PO Box 500
Blue Bell, PA 19424-0001 — Computer systems
CEO: James A Unruh — 215-986-4011

United HealthCare
9900 Bren Road East
Minnetonka, MN 55434 — Health care services
CEO: William W McGuire — 612-936-1300

United Missouri Bancshares
PO Box 419226
Kansas City, MO 64141-6226 — Regional bank
CEO: R Crosby Kemper — 816-860-7000

US Bancorp
PO Box 8837
Portland, OR 97208 — Regional bank
CEO: Roger L Breezley — 503-225-6111

US Healthcare
PO Box 1109
Blue Bell, PA 19422 — Health care services
CEO: Leonard Abramson — 215-628-4800

US Shoe
One Eastwood Drive
Cincinnati, OH 45227-1197 — Apparel stores
CEO: Bannus B Hudson — 513-527-7000

US Surgical
150 Glover Avenue
Norwalk, CT 06856 — Medical supplies
CEO: Leon C Hirsch — 203-845-1000

US Trust
114 West 47th Street
New York, NY 10036 — Regional bank
CEO: H Marshall Schwarz — 212-852-1000

United Technologies
One Financial Plaza
Hartford, CT 06101 — Aerospace & defense
CEO: Robert F Daniell — 203-728-7000

Unitrin
One East Wacker Drive
Chicago, IL 60601 — Diversified insurance
CEO: Jerrold V Jerome — 312-661-4600

Universal
PO Box 25099
Richmond, VA 23260 — Tobacco
CEO: Henry H Harrell — 804-359-9311

Unocal
PO Box 7600
Los Angeles, CA 90051 — Miscellaneous energy
CEO: Richard J Stegemeier — 213-977-7600

UNUM
2211 Congress Street
Portland, ME 04122 — Life & health insurance
CEO: James F Orr III — 207-770-2211

Upjohn
7000 Portage Road
Kalamazoo, MI 49001 — Drugs
CEO: Theodore Cooper — 616-323-4000

US West
7800 East Orchard Road
Englewood, CO 80111 — Telecommunications
CEO: Richard D McCormick — 303-793-6500

USAir Group
2345 Crystal Drive
Arlington, VA 22227 — Airline
CEO: Seth E Schofield — 703-418-7000

USF&G
100 Light Street
Baltimore, MD 21202 — Property & casualty ins
CEO: Norman P Blake Jr — 301-547-3000

USG
101 South Wacker Drive
Chicago, IL 60606-4385 — Misc building materials
CEO: Eugene B Connolly — 312-606-4000

Uslico
PO Box 3700
Arlington, VA 22203 — Diversified insurance
CEO: Charles V Giuffra — 703-875-3400

USLife
125 Maiden Lane
New York, NY 10038 — Life & health insurance
CEO: Gordon E Crosby Jr — 212-709-6000

UST Inc
100 West Putnam Avenue
Greenwich, CT 06830 — Tobacco
CEO: Louis F Bantle — 203-661-1100

USX-Marathon
600 Grant Street
Pittsburgh, PA 15219-4776 — Miscellaneous energy
CEO: Charles A Corry — 412-433-1121

USX-US Steel
600 Grant Street
Pittsburgh, PA 15219-4776 — Steel
CEO: Charles A Corry — 412-433-1121

UtiliCorp United
PO Box 13287
Kansas City, MO 64199-3287 — Gas distributor
CEO: Richard C Green Jr — 816-421-6600

V – Z

Valero Energy
PO Box 500
San Antonio, TX 78292 — Miscellaneous energy
CEO: William E Greehey — 512-246-2000

Valley Bancorp
PO Box 1061
Appleton, WI 54912-1061 — Regional bank
CEO: Peter M Platten III — 414-738-3830

Valley National
PO Box 71
Phoenix, AZ 85001 — Regional bank
CEO: Richard J Lehmann — 602-221-2900

Varity
672 Delaware Avenue
Buffalo, NY 14209 — Auto parts
CEO: Victor A Rice — 716-888-8000

VF
PO Box 1022
Reading, PA 19603 — Textiles & apparel
CEO: Lawrence R Pugh — 215-378-1151

Viacom
1515 Broadway
New York, NY 10036 — Broadcasting
CEO: Frank J Biondi Jr — 212-258-6000

Vons Cos
PO Box 3338
Los Angeles, CA 90051 — Supermarkets
CEO: Roger E Stangeland — 818-821-7000

Vulcan Materials
PO Box 530187
Birmingham, AL 35253-0187 — Misc building materials
CEO: Herbert A Sklenar — 205-877-3000

Waban
PO Box 9600
Natick, MA 01760 — Home improvement stores
CEO: John F Levy — 508-651-6500

Wachovia
PO Box 3099
Winston-Salem, NC 27150 — Regional bank
CEO: John G Medlin Jr — 919-770-5000

Wal-Mart Stores
702 Southwest 8th Street
Bentonville, AR 72716 — Drug & discount stores
CEO: David D Glass — 501-273-4000

Walgreen
200 Wilmot Road
Deerfield, IL 60015 — Drug & discount stores
CEO: Charles R Walgreen III — 708-940-2500

Wang Laboratories
One Industrial Avenue
Lowell, MA 01851 — Computer systems
CEO: Richard W Miller — 508-459-5000

Warner-Lambert
201 Tabor Road
Morris Plains, NJ 07950 — Drugs
CEO: Melvin R Goodes — 201-540-2000

Washington Federal Savings & Loan
425 Pike Street
Seattle, WA 98101 — Thrift
CEO: Elliott K Knutson — 206-624-7930

Washington Mutual Savings Bank
PO Box 834
Seattle, WA 98111 — Thrift
CEO: Kerry K Killinger — 206-461-2000

Washington Post
1150 15th Street NW
Washington, DC 20071 — Publishing
CEO: Donald E Graham — 202-334-6000

Washington Water Power
PO Box 3727
Spokane, WA 99220 — Electric util-W
CEO: Paul A Redmond — 509-489-0500

Waste Management
3003 Butterfield Road
Oak Brook, IL 60521 — Industrial services
CEO: Dean L Buntrock — 708-572-8800

Weis Markets
1000 South Second Street
Sunbury, PA 17801-0471 — Supermarkets
CEO: Sigfried Weis — 717-286-4571

Wells Fargo
420 Montgomery Street
San Francisco, CA 94163 — Regional bank
CEO: Carl E Reichardt — 415-477-1000

West One Bancorp
PO Box 8247
Boise, ID 83733 — Regional bank
CEO: Daniel R Nelson — 208-383-7000

Westinghouse Electric
Gateway Center
Pittsburgh, PA 15222 — Electrical equipment
CEO: Paul E Lego — 412-244-2000

Westvaco
299 Park Avenue
New York, NY 10171 — Paper & lumber
CEO: John A Luke — 212-688-5000

Wetterau
8920 Pershall Road
Hazelwood, MO 63042 — Food wholesaler
CEO: Ted C Wetterau — 314-524-5000

Weyerhaeuser
Weyerhaeuser Building
Tacoma, WA 98477 — Paper & lumber
CEO: John W Creighton Jr — 206-924-2345

Whirlpool
2000 M-63
Benton Harbor, MI 49022-2692 — Appliances
CEO: David R Whitwam — 616-926-5000

Whitman
3501 Algonquin Road
Rolling Meadows, IL 60008 — Beverages
CEO: James W Cozad — 708-818-5000

Whitney Holding
228 St Charles Avenue
New Orleans, LA 70130 — Regional bank
CEO: William L Marks — 504-586-7272

Willamette Industries
1300 SW Fifth Avenue
Portland, OR 97201 — Paper & lumber
CEO: William Swindells — 503-227-5581

Williams Cos
One Williams Center
Tulsa, OK 74172 — Gas producer/pipeliner
CEO: Joseph H Williams — 918-588-2000

Wilmington Trust
Rodney Square North
Wilmington, DE 19890 — Regional bank
CEO: Bernard J Taylor II — 302-651-1000

Winn-Dixie Stores
PO Box B
Jacksonville, FL 32203-0297 — Supermarkets
CEO: A Dano Davis — 904-783-5000

Wisconsin Energy
PO Box 2949
Milwaukee, WI 53201 — Electric util-NC
CEO: Richard A Abdoo — 414-221-2345

Witco
520 Madison Avenue
New York, NY 10022-4236 — Specialty chemicals
CEO: William R Toller — 212-605-3800

Woolworth
233 Broadway
New York, NY 10279-0001 — Drug & discount stores
CEO: Harold E Sells — 212-553-2000

Worthington Industries
1205 Dearborn Drive
Columbus, OH 43085 — Steel
CEO: John H McConnell — 614-438-3210

WPL Holdings
PO Box 2568
Madison, WI 53701-2568 — Electric util-NC
CEO: Erroll B Davis Jr — 608-252-3311

Wm Wrigley Jr
410 North Michigan Avenue
Chicago, IL 60611-4287 — Food processing
CEO: William Wrigley — 312-644-2121

Xerox
PO Box 1600
Stamford, CT 06904 — Business supplies
CEO: Paul A Allaire — 203-968-3000

Yellow Freight System
PO Box 7563
Overland Park, KS 66207 — Trucking & shipping
CEO: George E Powell III — 913-345-1020

York International
PO Box 1592-3648
York, PA 17405-1592 — Misc industrial equip
CEO: Robert N Pokelwaldt — 717-771-7890

Zions Bancorporation
1380 Kennecott Building
Salt Lake City, UT 84133 — Regional bank
CEO: Harris H Simmons — 801-524-4711

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

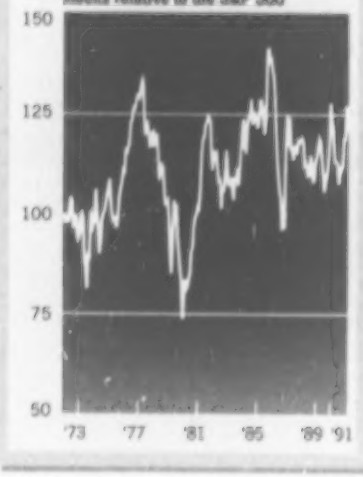
After a rousing last quarter of 1991, the first three months of 1992 were somewhat of a letdown. Most indicators hit new highs during the quarter but then slipped.

The Barra All-US index of 6,000 stocks ended the quarter with a 2% loss, while the 30 Dow industrials edged up 2%. The market seems a bit more vulnerable now than in December. One sign is that Wall Street gets twitchy with the slightest bit of bad news; witness the recent sharp declines in Chambers Development and Intelligent Electronics.

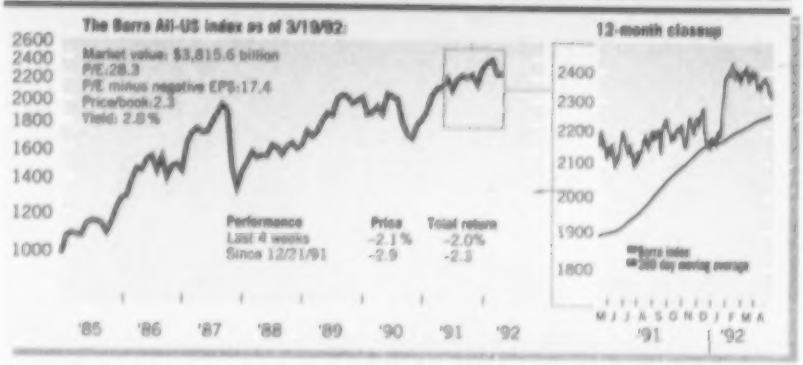
Claudia Mott, director of small-cap research at Prudential Securities, still sees opportunities in small-capitalization issues. Mott points out that the Russell 2000—an index of companies with low market values—rose 8% in the first quarter. One of her favorites is Advanta, a Nasdaq-traded quasi-bank that issues credit cards and makes consumer loans.

Special focus

Though sometimes characterized as widows-and-orphans stocks, utilities are neither dowdy nor riskless. Most utility stocks offer stable dividend income and defensive strength in some down markets, but they are very sensitive to changes in interest rates. Since 1973 a capitalization-weighted portfolio of electric utility stocks would have outperformed the S&P 500 by more than 1% a year.



The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-2.7%	7.6%	-5.4%
Sharpe/Barra Growth index[1]	-1.7	9.1	-7.4
Sharpe/Barra Value index[2]	-2.8	7.6	-3.7
Dow Jones industrials	-0.8	10.6	-1.7
S&P 500	-2.3	5.5	-4.8
NYSE	-2.1	6.6	-4.5
Nasdaq	-5.1	19.3	-7.9
Amex	-2.9	7.0	-6.8
EAFE[3]	-4.2	-16.5	-30.3
CRB index[4,5]	-1.3	-5.0	-23.2
Gold[5]	3.7	-2.1	-30.1
Yen[5]	-2.9	-4.7	-21.0
Oil[5]	2.6	-1.0	-51.9

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Systemix Center	13 1/8	31%	$0.67	Gliatech	3 1/8	-39%	$1.65
Citizens Inc	9	29	0.20	Tetra Technologies	8 1/8	-39	0.85
Geal Systems Intl	18 1/4	27	0.63	Immunex	32	-38	0.40
Victoria Bankshares	19 1/2	22	1.30	Radex Environ Recovery	14 1/8	-38	1.10
August	11 1/8	22	0.50	Alexander's	11 1/4	-37	NA

The best and worst performing industry factors[8,9]

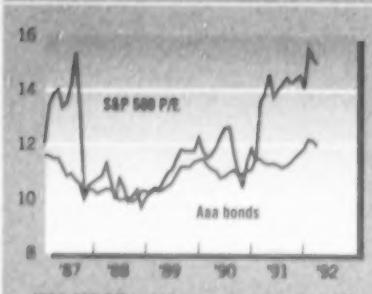
Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Tire & rubber	2.6%	17.7%	Pollution control	-9.9%	-12.0%
Railroads	2.5	-2.1	Trucking	-8.1	5.7
Tobacco	1.8	4.1	Electronics	-7.7	-1.2
Cosmetics	1.7	-2.9	Real estate	-6.6	2.7
Leisure, luxury	1.7	7.7	Forest products	-5.7	37.3

Note: Data for period ending 4/2/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

WHAT THE ANALYSTS THINK

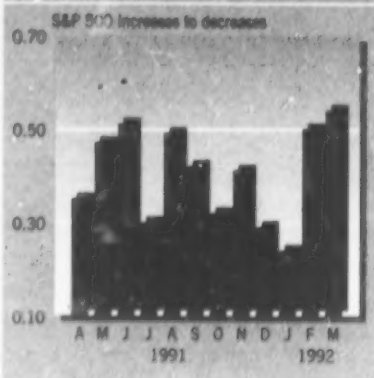
BY STEVEN RAMOS

S&P 500 P/E* vs. Aaa bonds†



*S&P 500 P/E is the recent price of the S&P 500 divided by estimated earnings over the next 12 months. †Actual and projected price-to-coupon ratio for Moody's Aaa corporate bond index.

IBES estimate revisions index



Forecasting the S&P 500

Year	Estimated P/E	% change current vs. 3 months ago	Expected year-to-year EPS growth
1991†	19.5	NA	14%
1992	15.4	-3%	27
1993	12.7	-2	21

1992 estimates for IBES industry groups

Rising estimates	Falling estimates
homebuilding	steel
auto(after market)	airlines
building materials	aluminum
housewares	oil-intergrated
electron/semicon	misc. machinery

Stocks don't seem terribly expensive when measured against the earnings that are around the corner—if you can believe Wall Street's forecasts of those earnings. Problem is, analysts are habitually overoptimistic *(see story, p. 140)*. They also ignore writeoffs, which take a big chunk out of the bottom line. The price/earnings ratios shown above use fairly bullish, pre-writeoff forecasts for 1992 and 1993 corporate earnings. The Institutional Brokers Estimate System constructs these numbers by surveying 3,000 analysts who cover the 500 S&P index components.

One focus of optimism is in the cyclical sectors. Analysts are expecting these companies to rebound briskly from their recessionary lows. "This is the first time you are seeing these kinds of glimmers for the cyclical industries," says Richard Pucci, database director for IBES. Pucci points to rising estimates for Ford, AMR and Dow Chemical as a bellwether of better days ahead.

The analysts are raising company forecasts only about half as often as they decrease them *(see middle chart)*. But that ratio is a big improvement over January.

Who's hot

Greatest increase in estimates over the past three months

Company/Industry	1991 EPS	1992 estimate: recent	1992 estimate: 3-month change	P/E	3-month price change	Reason
Informix/software	$0.82	$1.92	104%	16	31%	Strong increase in sales
Micropolis/computers	0.29	0.91	30	12	5	Increased sales of high-capacity 3.5 inch hard disk drives
Bank of Boston/banking	-1.63	1.06	29	17	24	Credit quality improvement, drop in nonperforming loans
Louisiana Pacific/forest products	1.55	3.73	25	17	22	Strong lumber, plywood and pulp prices
Hewlett Packard/computers	3.42	4.88	22	17	30	Reduced costs, increased sales of inkjet printers

Who's not

Greatest decrease in estimates over the past three months

Company/Industry	1991 EPS	1992 estimate: recent	1992 estimate: 3-month change	P/E	3-month price change	Reason
Caterpillar/construction machinery	$-4.00	$0.65	-61%	NM	11%	Decrease in demand, labor problems
Data General/computers	2.12	0.77	-60	13	-43	Competitive cost pressures, lower operating margins
Arkla/gas utility	0.05	0.53	-49	17	-18	Lower demand, weak natural gas prices
Stone Container/containers	-0.75	0.65	-42	46	-2	Lower prices for container services
Enserch/oil & gas exploration	0.03	0.56	-37	22	-7	Lower demand, weak natural gas prices

Note: Companies listed have a market capitalization of $100 million or more. †Actual. Earnings projections are Wall Street consensus estimates data from 3,000 security analysts compiled by the Institutional Brokers Estimate System, a service of IBES, Inc. Aaa bond yield forecasts supplied by Blue Chip Economic Advisors. NA: Not available. NM: Not meaningful.

Why Citicorp stock doubled

The coming Russian oil gusher: Say your prayers, OPEC

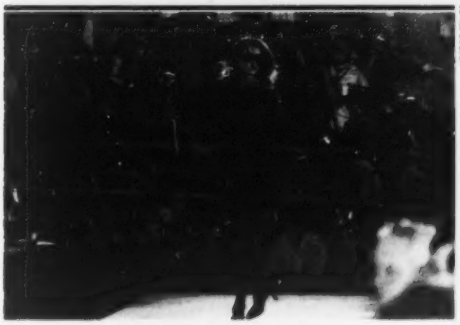
May 11, 1992

Forbes

Designing Women

Nicole Miller and other women executives are taking over Seventh Avenue

Forbes
MAY 11, 1992 VOLUME 149 NUMBER 10



Women designers have succeeded precisely because they are women: They use their own sense of what's missing from their wardrobes to identify market voids.
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James M. Cook

John Reed may not have a lot of time to turn Citicorp around. But he has impressive strengths to work with.
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Siberia, home to this gas field, could hold the key to a flood of Russian oil that could have a profound effect on world markets in just a few years.
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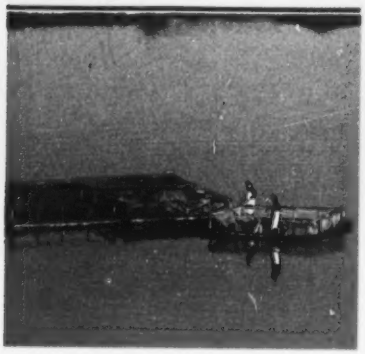

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Cover photo by Theo Westenberger

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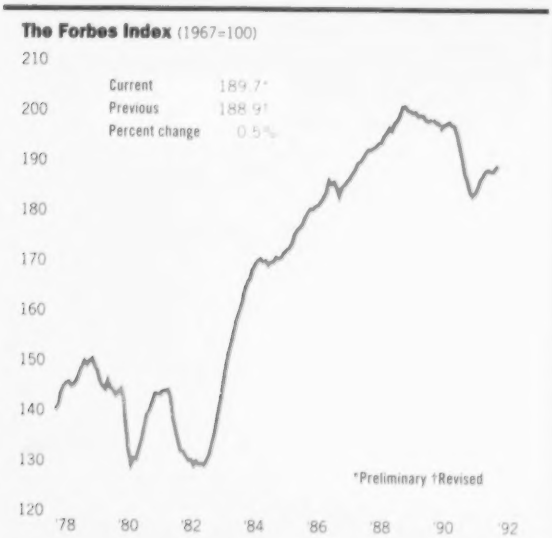
THE FORBES INDEX

BY TIMOTHY DODMAN



March starts for privately owned homes were 54% above last year's abnormally depressed March figure. The strength of the housing indicator is responsible for the 0.5% gain in the preliminary Forbes Index for March. But absent housing starts, the Index would show a 0.2% decline. The Federal Reserve continued its accommodative monetary policy by further exerting downward pressure on short-term rates. But should March's 0.5% jump in consumer prices mark an uptrend in inflation, the Fed could turn stingy.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	0.6%
Index of leading indicators Feb vs Jan	Dept of Commerce	0.8%
Trade balance 12 months ended Feb 1992	Dept of Commerce	-$68 bil
All-commodity producer price index Mar vs Feb[2]	Dept of Labor	0.0%
GDP 4th quarter vs 3rd—annualized growth	Dept of Commerce	0.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	4.2%

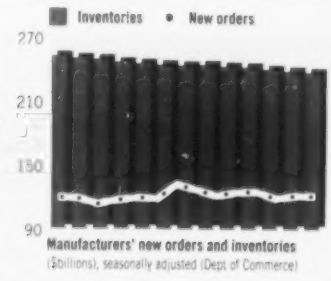
[1] U.S.-based manufacturers, excludes imports, as of 4/10/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months data for each series are presented below.

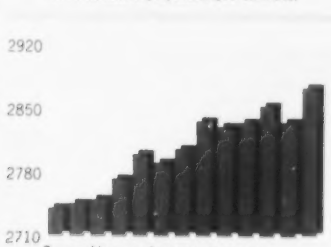
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



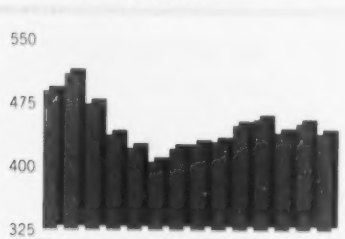
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

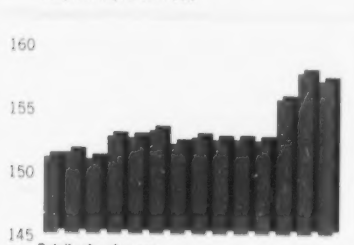
New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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Socialism makes Israel vulnerable to U.S. pressure.

Can Israel go it alone?

By Peter Brimelow

THE U.S.-ISRAELI relationship is emitting ominous creaking noises.

President Bush has forced Israel into peace negotiations. He appears to have succeeded in derailing the $10 billion loan guarantees that Israel wanted to settle the 200,000 immigrants expected annually from the former Soviet Union. His officials have been quoted accusing Israel of bootlegging U.S. military technology to China. (A State Department investigation found "no evidence" in the case of the Patriot missile; the results of another investigation remain classified.) And many Americans seem to approve: A recent opinion poll found that 49% of voters oppose the loan guarantees under any circumstances.

All of which raises an interesting question: Could Israel survive without U.S. aid?

The full extent of U.S. aid to Israel is notoriously difficult to calculate. For example, certain grants to Israel are, uniquely, disbursed at the beginning of the U.S. fiscal year. This earns the Israelis additional millions of dollars in interest. And the U.S. pays for some of Israel's own foreign aid programs. How do you count that?

According to an official estimate recently presented to Congress, Israel received just over $4.1 billion in U.S. aid in 1991, about half of it military, plus some $400 million in loan guarantees and potential access to about $1 billion in other, chiefly military, programs. Egypt got some $4.6 billion. Together, the two countries took up about three-quarters of net U.S. foreign aid in 1990.

Last year U.S. government aid amounted to about 8% of Israel's $53 billion GNP. Counting German and private contributions, total subsidies may be as much as 12%.

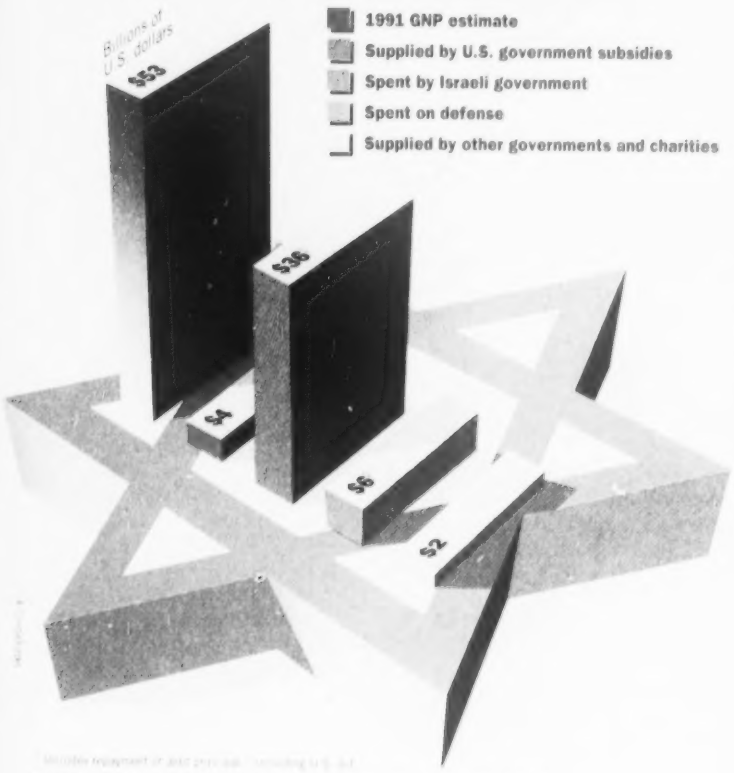
At present, aid plays a pivotal role in Israel's economy. It finances the balance of trade deficit and Israel's government budget deficit. And it underwrites periodic crises. For example, U.S. aid in real terms surged to more than twice its present level directly after the 1978 Camp David agreement, and it also jumped in response to the 1973 Yom Kippur War and Israel's 1985 banking crisis.

The Israeli economy is socialist—or at least highly statist (FORBES, *May 27, 1991*). The central government directly controls about two-thirds of the country's GNP and regulates the rest heavily. That's about double the government share in the early years of independence. And it's not due to the defense burden: Military spending is about 12% of GNP, slightly more than the proportion of GNP spent by the U.S. during the Cold War peak. All these things give Israeli politicians extraordinary leverage on their country's economy.

Political control of the economy has this advantage: If U.S. aid were cut off, the Israeli government would at least have some capacity to allocate the shock in the short term.

And in the long term? Radical free market critics like Alvin Rabushka of California's Hoover Institution and Jerusalem's Institute for Advanced Strategic & Political Studies argue convincingly that subsidies have actually hurt Israel. The great bulk of U.S. aid—now totaling $81 billion in 1991 dollars—was given since 1971. This period, says Rabushka, saw the Israeli government's share of GNP reach its current high levels and, even-

Israel's economy: significantly subsidized



Israel's economy is government-dominated, but not because of military spending. And foreign subsidies are significant.

tually, economic stagnation. U.S. aid has subsidized socialism and promoted dependency. It has created a serious problem for Israel whether or not it is withdrawn.

Israel has few natural resources. And it may never have good political relations with its neighbors.

But, Rabushka claims, it could copy Hong Kong, which was equally resourceless, barred from its natural hinterland and even farther from its markets when it began to develop. Or Singapore, which lost 6% of its GNP and 20% of its jobs when the British closed their military base in the mid-1960s. Both were saved by moving to free trade and high technology.

Israel already has free trade agreements with both the European Community and the U.S. ("asymmetrical," says Rabushka of the latter, because the U.S. gives Israel better access). And those Soviet immigrants should be a massive high-skill injection into a population that is already well educated and highly skilled by world standards.

But Hong Kong and Singapore were hardly model democracies. The reality is that no democratically elected leader—not Ronald Reagan, not Margaret Thatcher—has yet succeeded in decisively rolling back the state. As a genuine democracy, can Israel do what the U.S. and Britain could not?

With a thorough free market system, Israel could possibly do better without U.S. economic aid than it does with it.

But can any democracy shake its addiction to state spending—which in Israel's case means addiction to American assistance?

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Candidates who talk about taxing the rich are really aiming straight at the middle-class wallet.

Getting the message

BY MICHAEL NOVAK

Michael Novak holds the George Frederick Jewett chair in religion and public policy at the American Enterprise Institute in Washington, D.C. His book *The Spirit of Democratic Capitalism* has been widely translated around the world.

AT LAST the left is beginning to get it. The stunning come-from-behind victory of John Major in Britain moved even the left-leaning *Washington Post* to interpret the British election as "a fundamental clash between what remains an essentially socialist vision of British society and a free-market, capitalist one. The latter won handily." There are lessons in this for America.

Europe's socialist left was once "the Continent's dominant social and political force." But with the defeat of the socialist left in Britain, last year's defeat in Sweden and other defeats in Germany, France, Spain and Italy, one sees "just how weak and unpopular the left has become."

What's left of the left? "Socialism is a set of values rather than a fixed economic theory," intones John Smith, British Labor's top economic spokesman (and Neil Kinnock's probable successor). But socialist "values" have lost their glow.

Socialists fixed their moral vision on the social group, the whole society, and wanted individuals to be equal. They wanted government to enforce this equality, to take from "the rich" and become provider for the needy. Socialist sermons used the rich as Christian sermons once used "the world, the flesh and the devil." As often as it could, socialism appealed to class war, the many "us" against the few "them."

The best answer from the right was to move more and more people out of dependency on the state and over into the ranks of those able to improve their condition by their own enterprise. Steady success here altered the moral equation. People by the millions came to recognize that they were the rich the left loves to leech.

For years, the American left took its

WHO OFFERS POLICYHOLDERS SOME OF THE BEST THINGS IN LIFE?

signals from the social democrats of Europe. The American left was always apologizing for America's not being as morally advanced as nations led by the European left. If they had nationalized health care, then we were backward not to. (Blame America first!)

But that dog doesn't hunt, not now. The people have gotten more intelligent about what's really happening around them. Consider this year's argument about "helping the middle class." Bill Clinton, for one, proposes to raise taxes on the rich, in order to help the middle class. But just who is paying most of the taxes now? And where does he think rich begins?

According to the Congressional Budget Office, 72% of all federal income taxes in 1990 were paid by the top 20% of families. The entire bottom 60% (families with incomes below $42,040) paid only 11% of federal income taxes. Families earning below $29,044 paid only 2.4% *(see table)*.

The cutoff point for entering the top 20% in 1990 was $61,490. But families at even twice that level know for sure that they are middle-income. Congress is paid more than twice that level, and they talk as if the rich were somebody else.

The changing tax burden

	1980	1990	% change
Upper			
Top 1%	18.2%	25.4%	+40%
Top 5%	36.0	44.1	+23
Top 10%	48.8	56.1	+15
Top 20%	66.0	71.8	+ 9
Mid and lower			
Bottom 60%	13.8	11.0	–20
Bottom 40%	3.6	2.4	–33
Bottom 20%	–0.2	–0.5	–150

Source: Congressional Budget Office.

Share of federal income tax revenues paid by each income group.

What about the top 5% (income over $102,400) or the top 1% (income over $220,000)? These two groups paid a much larger share than people think. The top 1% paid 25% of all federal income taxes; the top 5% paid a stunning 44%.

The only quintile that paid its approximate share of federal income taxes in 1990 was the next-to-top quintile, the 20% of families earning between $42,040 and $61,490, who paid 17% of all income taxes.

What's so unfair?

One objection to this analysis is that, by contrast with federal income taxes pure and simple, Social Security taxes and Medicare taxes are far more regressive. But who talks about raising those? Since those contributions purchase future benefits, and then some, they are usually off-limits to political discussion. The public debate is about federal income taxes pure and simple. And this reality is constantly misstated by the left.

But people know. Instinctively, they know. Candidates who talk about taxing the rich never aim straight. They always shoot the middle-class right in the wallet. Voters, everywhere, have got the point. The left is slowly, groggily getting it, too.

Any people who think of themselves as religious will want to help the poor and the vulnerable. But coercive redistribution isn't the way. It doesn't work and it isn't fair. The left needs to dig itself new foundations. ■

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THE FORBES/BARRA WALL STREET REVIEW

BY GILBERT STEEDLEY

Just when Wall Street was starting to fret over whether stocks were overvalued and worry about the collapse of the Tokyo stock market, along came Alan Greenspan. On Apr. 10 the Federal Reserve cut the target rate for federal funds from 4% to 3.75%, and the Dow industrials rose nearly 43 points. The Dow finished the two weeks ended Apr. 16 up 132 points, a 4.1% change.

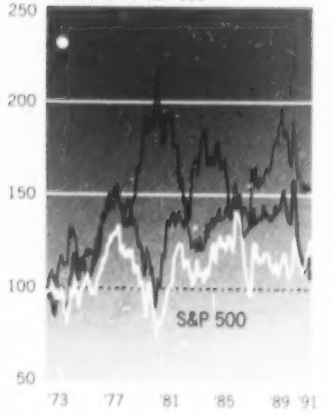
Chemical Banking Corp. responded to the Fed's action by lowering its prime rate from 6.5% to 6.25%. Other banks will probably follow Chemical's lead. On Apr. 16 Citicorp made substantial cuts in its credit card interest rates. This move is likely to pressure other banks to lower their rates and could stimulate increased spending by consumers.

The stock market also got some good news on first-quarter profits when IBM posted better than expected earnings of $1.04 a share.

Special focus

Before MCI and Sprint, AT&T's breakup and cellular phones, the telecommunications industry was pretty dull. But these changes boosted the performance of telephone stocks. From 1973 to 1991 a capitalization-weighted portfolio of telecommunications stocks beat the S&P 500 by over 2.5% a year.

Performance of utility stocks relative to the S&P 500



The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	2.9%	8.4%	-2.7%
Sharpe/Barra Growth index	3.2	10.5	-4.4
Sharpe/Barra Value index	4.8	9.8	0.0
Dow Jones industrials	4.1	12.2	0.0
S&P 500	3.9	7.1	-0.7
NYSE	3.3	7.7	-0.9
Nasdaq	-0.3	16.8	-8.2
Amex	0.6	5.2	-6.3
EAFE	3.0	-14.0	-28.2
CRB index[1]	-1.6	-5.7	-24.5
Gold	-1.0	-5.7	-32.8
Yen	1.9	-2.8	-18.3
Oil[1]	2.0	-4.3	-50.9

The best and worst performing stocks[2]

Best	Price	2-week change	1992 EPS[3]	Worst	Price	2-week change	1992 EPS[3]
Meridian Diagnostics	15¼	33%	NA	Centocor	16	-43%	$-1.11
Douglas & Lomason	34¼	32	$3.33	Bachman Information Sys	13½	-39	0.50
Radius	11	29	0.59	Greenwich Pharma	10½	-33	-0.50
Valley Natl Corp Ariz	46⅛	29	2.32	AdvaCare	7⅛	-32	0.22
Parametric Technologies	34⅓	29	0.59	MGI Pharma	8	-31	-0.72

The best and worst performing industry factors[4,5]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Oilfield services	11.0%	13.4%	Real estate	-2.7%	-0.6%
Coal & uranium	9.3	14.1	Precious metals	-2.7	-14.1
Motor vehicles	9.2	42.3	Air transport	-1.9	-4.9
Construction	9.2	14.6	Drugs	-0.6	-11.5
Railroads	8.5	6.3	Photographic, optical	0.1	-22.9

Note: Data for period ending 4/16/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

MUTUAL FUND REVIEW

BY JOHN CHAMBERLAIN

Sales

Performance

No letup is in sight for the flood of retail money into the stock and bond markets. The Investment Company Institute reports that net sales of equity and bond funds in the first two months of 1992 topped $34 billion. That follows a total for 1991 of $118 billion, which came in at more than double the figure for 1990.

What did fund managers do with this influx of money? Apparently, some of them sat on the sidelines in cash. For the first quarter, the total return (income plus capital gain or loss) was -2.5% for the S&P 500 and -1.4% for the Merrill Lynch Corporate/Government Master Index. In contrast, the Forbes index of the 25 largest equity funds was off only 0.8%. The 25 largest fixed-income funds had a positive 1.1% total return (upper right).

The table below lists the winners and losers over the three-year period ending in March. The best fund: the closed-end Mexico Fund, which averaged a 64% compound annual return. (The S&P 500 averaged less than 15%.) Despite a 13% loss in the first quarter, Fidelity Select-Health Care placed second.

The biggest losers during the past three years were mostly gold and precious metals funds. One notable non-gold fund on the poor performers list is the Japan Fund; its record reflects the collapse of the Tokyo stock market.

Two Benham Target funds lead the list of best-performing bond funds. But note their "F" grades in down markets. These funds underperformed other bond funds during months in which interest rates were rising.

The best performers

Fund	Forbes rating up	Forbes rating down	Total[6] return	3 year[7] return
Equity[5]				
Mexico Fund	A	A+	89.8%	64.2%
Fidelity Select-Health Care	A+	D	18.0	36.4
CGM Capital Development	A+	B	46.3	32.5
Berger One Hundred	A	D	39.9	32.1
20th Century Ultra Investors	A+	F	23.3	30.1
Fidelity Contrafund	A+	D	27.5	28.5
Hartwell Emerging Growth	A+	F	23.8	28.1
AIM Equity-Constellation Fund	A+	F	33.3	27.2
Bergstrom Capital	A	A	18.6	27.1
General American Investors	A	D	21.1	25.9
Fixed income				
Benham Target Maturities-2005	A+	F	13.3	19.3
Benham Target Maturities-2015	A+	F	13.3	17.4
Merrill Lynch Corp-High Income	B	A	32.3	14.3
Kemper Diversified Income Fund	A	C	34.0	14.3
Liberty High Income Bond	A	C	38.4	13.8

The worst performers

Fund	Forbes rating up	Forbes rating down	Total[6] return	3 year[7] return
Equity[5]				
United Services-Gold Shares	D	D	-15.6%	-11.0%
ASA Limited	C	D	10.5	-6.2
Japan Fund	B	C	-19.3	-6.1
Bull & Bear Gold Investors	F	F	-4.0	-5.6
Lexington Goldfund	D	D	-7.2	-5.6
Keystone International Fund	C	B	4.7	-3.3
Oppenheimer Gold & Spec Mins	C	C	3.2	-3.3
Keystone Precious Metals	D	D	4.3	-3.0
Fidelity Select-Precious Metals & Mins	D	D	-0.9	-2.9
Van Eck International Investors	C	D	-0.2	-1.2
Fixed income				
Pilgrim S-T Multi-Market Income	F	B	4.7	-8.3
Dean Witter High Yield Securities	A	F	49.7	0.2
Alliance Bond-High Yield	D	D	24.3	0.9
First Investors High-Yield Fund	D	D	31.7	3.6
Keystone Custodian B-4	C	D	38.0	4.2

Note: To be rated, equity funds must be in existence since 6/30/83; taxable bonds 9/30/86, junk bonds 2/28/87. [1]Monthly net sales of open-end funds. Net sales are purchases by investors, including reinvested dividends, less redemptions. [2]Includes tax-free and foreign bond funds. Source: Investment Co. Institute. [3]Index of total return for the 25 largest stock funds in 1986. [4]Index of total return for the 25 largest taxable bond funds in 1986. [5]Includes balanced funds. [6]Total return for one year ending 3/31/92. [7]Total return (annualized), for three years ending 3/31/92.

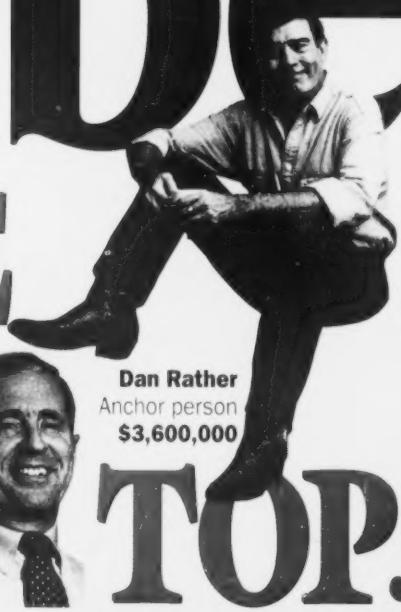
Executive compensation: What 800 CEOs made last year

Fat dividends, rising earnings: The case for the telephone companies

May 25, 1992 Four Dollars

Forbes

PEOPLE AT THE TOP, WHAT DO THEY EARN?



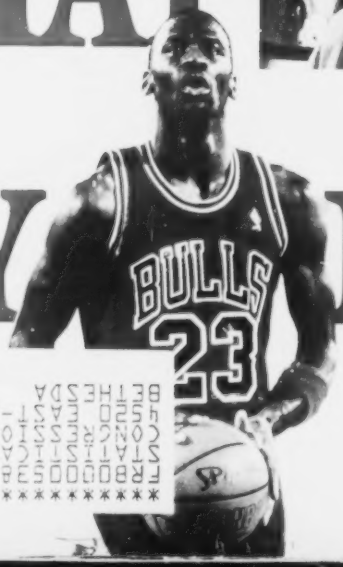
Dan Rather
Anchor person
$3,600,000

William Anders
CEO
$4,500,000

Thomas Gambino
Mafioso
$3,000,000

Denton Cooley
Surgeon
$3,600,000

Christy Turlington
Model
$1,750,000



Michael Jordan
Basketball player
$16,000,000

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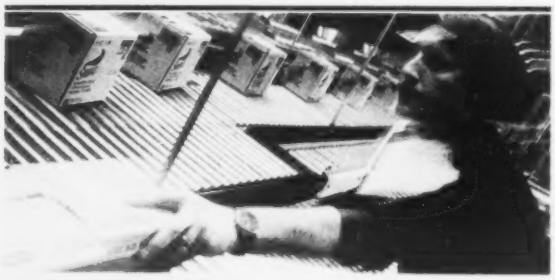

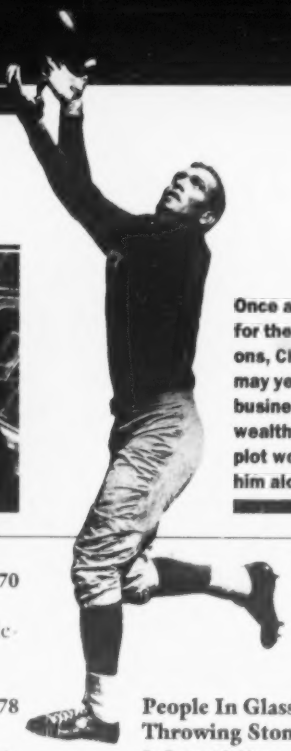

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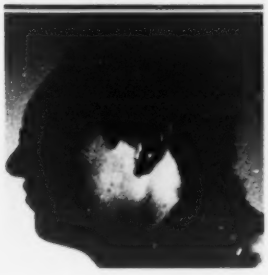

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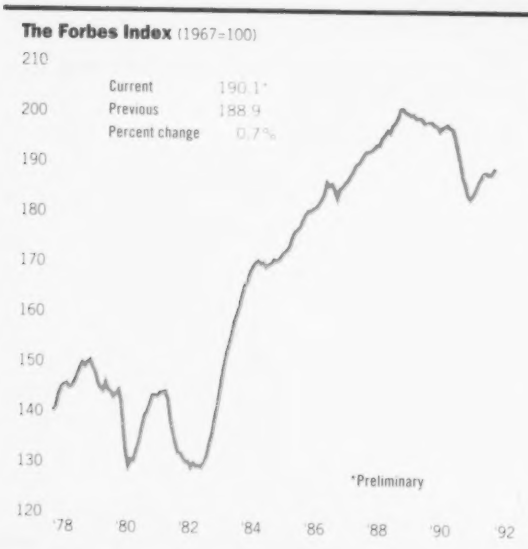
THE FORBES INDEX

BY TIMOTHY DODMAN



The economy's 2% per year growth rate during the first quarter is weak, yet still the fastest annualized rate of expansion in three years. A faster pace would have been desirable, yet perhaps not achievable without the usual negatives of an overheating economy—namely, an increase in inflation and interest rates. As it is, mortgage rates are easing and consumer prices are up only 3.2% from a year ago. New factory orders rose 2.1% in March while inventory stockpiles, which have been declining since last October, fell another 0.3%.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	0.0%
Index of leading indicators Mar vs Feb	Dept of Commerce	0.2%
Trade balance 12 months ended Feb 1992	Dept of Commerce	-$68 bil
All-commodity producer price index Mar vs Feb[2]	Dept of Labor	0.0%
GDP 1st quarter vs 4th—annualized growth	Dept of Commerce	2.0%
M2 (3-month change)—annualized growth[3]	Federal Reserve	4.1%

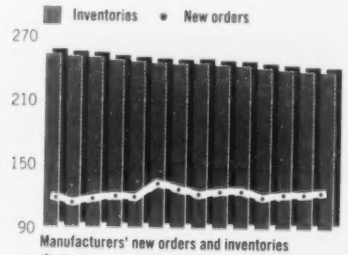
[1] U.S.-based manufacturers, excludes imports, as of 4/20/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

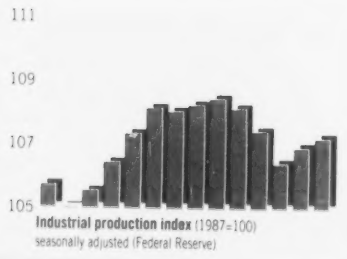
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

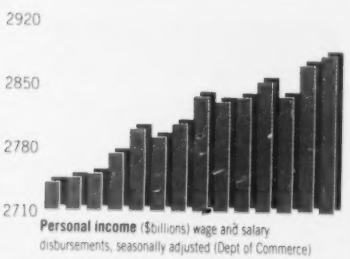


Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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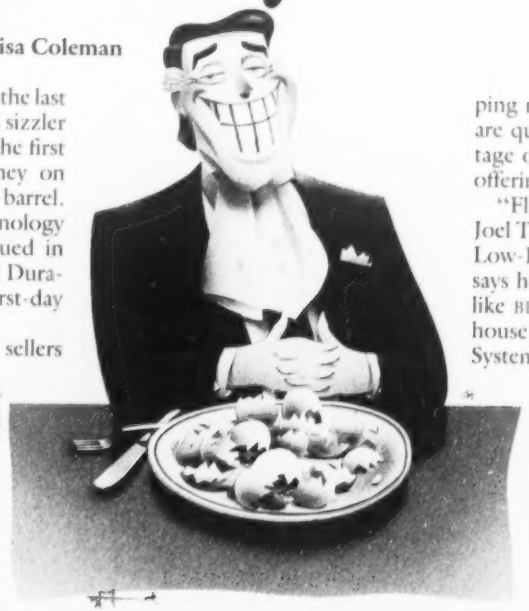
In the past two years, well over $1 billion in easy profits has gone to investors lucky enough to get an allotment of hot new issues at the offering price. Who got the loot?

Members only

By Matthew Schifrin with Lisa Coleman



THE HOT NEW ISSUES market of the last few years has produced many a sizzler that went up 30% or more in the first day of trading. Making money on them was like shooting fish in a barrel. Little-known Implant Technology rose 212% the day it was issued in December 1990, and even big Duracell International did a 38% first-day jump in May 1991.

Do the arithmetic. Duracell sellers (mostly KKR Associates) got only $450 million for shares that were worth $171 million more than that later in the day. With help from Securities Data Co., we counted 90 hot new issues since January 1990—hot referring to a first-day gain of at least 30%. A total of $1.3 billion was left on the table for the lucky initial public offering buyers.

Who shot the fish in those barrels? Who got the loot?

Not the retail investor—and in most cases not even the big ones. "I'm lucky if I get 300 shares of a hot issue," complains Andrew Lanyi, a $3-million-plus retail commission generator at New York City brokerage Ladenburg, Thalmann & Co.

Well-connected retail brokers get some hot new issue stock if they work for one of the brokerage firms leading the underwriting *(see p. 172)*. But most brokers don't have any more leverage than Lanyi. Last year he bought such hot new issues as Quantum Health Resources, ViewLogic Systems and Xircom but was forced to purchase shares in the aftermarket at a premium. "I am a peasant among a cartel of aristocrats," says Lanyi.

Then who are the aristocrats? As it turned out, they were the big mutual fund sponsors and other institutions that dominate the stock market and generate lots of commission dollars. Some of the top beneficiaries: Fidelity, Alliance Capital, T. Rowe Price, J.P. Morgan and IDS.

What do the fund sponsors do with the stock they get? Many of them are flipping for quick profits. It is likely that several of the large mutual fund families have been tucking the hot stocks into their newer, smaller funds in order to dress up the performance records for these funds. The fund managers could then turn quick profits by taking their allotments and selling a day or two later. This flipping may go a long way toward explaining how so many funds were up 50% to 100% last year in a market that climbed only 30% overall.

Frank Wisneski, a manager of Vanguard's $430 million Explorer Fund, puts it this way, speaking of the IPO share allotments that go to some mutual funds: "They are a gift from the underwriter."

Funds don't have to divulge how much of their profits come from flipping new issues. But some managers are quite frank that they take advantage of hot markets for initial public offerings.

"Flipping is widespread," admits Joel Tillinghast, manager of Fidelity's Low-Priced Stock Fund. Tillinghast says he flipped out of hot new issues like BET Holdings, Lone Star Steakhouse & Saloon, Au Bon Pain, Symix Systems, Retix, Marcam and Video Lottery Technologies. His fund started 1991 with but $89 million in assets, and thus was in a position to benefit measurably from a lot of small trading profits.

Attracted by Tillinghast's impressive 46% return last year, new customers have poured in. The fund is up to $785 million in assets. It will not be easy for Tillinghast to deliver a repeat performance.

"Everybody was flipping and nobody cared," says Ray Hirsch, manager of IDS Discovery Fund, who mentions Alteon, Target Therapeutics, Amylin and Gilead Sciences as stocks he flipped. Hirsch argues that in most cases the allotment awarded to his fund, typically 25,000 to 75,000 shares, was too small to be a permanent holding. "Besides, these stocks quickly appreciated past our fair value estimates," he adds. The IDS Discovery Fund had $150 million in assets at the end of 1990; it now has $285 million.

What is indisputable from the public record is that someone was doing a lot of flipping. For dozens of new issues, first-day trading volume exceeded the number of shares being offered *(see table, opposite)*.

What about the companies whose shares were flipped? Don't they resent getting too low a price at the initial

offering? Despite the sizable gains and a seemingly obvious underpricing by underwriters eager to win friends among investors, the underwriters' corporate customers aren't complaining loudly.

In some cases the insiders were selling only a small part of their company and were thrilled to see the remainder instantly priced higher than they dreamed possible. In other cases they may be planning to make a second trip to the well. It's much easier to sell a secondary offering if the first batch of stock shoots up.

"I think the underwriters did an excellent job," says Lone Star Steakhouse & Saloon Chief Executive Jamie Coulter, whose personal stake climbed in worth from $22 million to $35 million on Mar. 12, the first day of trading.

Indeed, the market for initial public offerings like this one is a cozy game of easy money for all of those involved. By the day of the initial public offering nearly everyone in the investment community knows whether or not the issue is hot. That's because order flow information is often shared among the members of the underwriting syndicate.

When an issue is hot, most of the stock is retained and sold by the lead underwriters. The other underwriting syndicate members receive only a tiny fraction of the shares they have agreed to sell. The early reading on demand for shares finds its way into the investment community and heats up the bidding in the aftermarket. In the case of cheerleader uniforms marketer Varsity Spirit Corp., up 42% on day one, demand for the company's stock outstripped supply more than five times.

That the bulk of these juicy offerings goes to big institutional investors is a measure of the declining importance of the individual investor in share ownership. In the past, hot issues were the domain of retail brokers who could reward their favorite customers with the stock.

Two lessons for the retail investor: First, if your broker is pushing what he calls a hot new issue, don't get too excited. If you really are allowed to get a fair chunk, it probably isn't such a good buy.

Second, beware the growth funds that deliver spectacular returns during a bull market for new issues. ■

Hot potatoes

Stock	Flip ratio*	Lead underwriter	Offer date	Amount ($mil)	Offer price	% gain 1st day
Whole Foods Market	171%	Robertson, Stephens	1/92	$23.4	17	43%
Checkers Drive-In Restaurants	161	Dean Witter Reynolds	11/91	33.6	16	48
America Online	159	Alex. Brown & Sons	3/92	23.0	11½	39
Outback Steakhouse	159	Alex. Brown & Sons	6/91	23.6	15	39
Alteon	156	Alex. Brown & Sons	11/91	45.0	15	73
Callaway Golf	154	Merrill Lynch	3/92	52.0	20	47
Synopsys	145	Morgan Stanley	3/92	36	18	75
Athena Neurosciences	141	PaineWebber	11/91	54.0	12	33
Target Therapeutics	131	Alex. Brown & Sons	1/92	40.5	18	64
Walker Interactive Systems	129	Morgan Stanley	4/92	39	15	47
Sullivan Dental Products	126	Dain Bosworth	4/90	10.0	10	30
HealthCare Imaging Services	126	Stratton Oakmont	11/91	7.0	5	73
Somatogen	125	Alex. Brown & Sons	8/91	38.0	19	43
Advanced Interventional Systems	123	Robertson, Stephens	11/91	29.9	13	33
Sepracor	121	Lehman Brothers	9/91	40.0	10	40
Platinum Technology	121	Hambrecht & Quist	4/91	37.5	15	42
Integrated Systems	121	Alex. Brown & Sons	3/90	16.2	9	32
Marcam	120	Hambrecht & Quist	8/90	17.6	14	34
Heart Technology	120	Hambrecht & Quist	3/92	68.4	18	39
Symix Systems	119	William Blair	3/91	15.0	15	40
Lone Star Steakhouse & Saloon	118	Montgomery Securities	3/92	18.9	13½	56
Longhorn Steaks	116	J. C. Bradford	4/92	28.8	16	31
CellPro	114	PaineWebber	10/91	33	11	32
Dura Pharmaceuticals	112	Oppenheimer	2/92	25	10	31
Au Bon Pain	108	Morgan Stanley	6/91	22.5	9	47

*First-day trading volume as percentage of total shares offered.
Sources: Securities Data Co.; Forbes.

When an initial public offering is priced too low, the shares are often oversubscribed and the lucky buyers can immediately resell for a profit. On their first day out of the box these new issues all saw price gains of at least 30% and trading volume of at least 100% of the offering size. There was a lot of flipping going on—in some cases, double-flipping.

Want a company with a fat dividend and improving earnings? The answer may be as close as your phone.

Telephones

By Gilbert Steedley

LAST YEAR, when the Dow climbed 20%, telephone utility stocks fell 4.5%. The regional telephone companies are off another 4% this year. Buying opportunity?

Here's the case for the group, which is dominated by the seven Bell companies spun off from AT&T in early 1984. Over the years the Baby Bells have upgraded old equipment, reduced bloated payrolls and learned how to deal with outside competition. Earnings per share, off an average 2.8% for 1991, nonetheless show a good long-term trend, with average annual total returns of 19% since the Bell breakup. The group trades at an average multiple of 18 times earnings and yields an average 5.5%.

It could be that last year's weak performance for the Baby Bells was an overreaction to a stumble in earnings. "When their revenue and profit growth slowed, the tendency was to focus on the negatives," says Ronald L. Altman, managing director at broker Furman Selz.

But, argues Altman, earnings growth is destined to resume. He points to the impact of recent cost reduction, and expanding revenues from value-added features. Services such as call waiting, caller ID, speed calling, paging and answering services can each haul in $4 or so per month in surcharges on monthly residential rates, at very little incremental cost to the phone company. Directory and information services are another growing profit center.

James Krekeler, an analyst at Edward D. Jones of St. Louis, thinks that telephone stocks are currently in good shape to capitalize on foreign markets. Krekeler cites some examples: Southwestern Bell has a 10% equity in Teléfonos de México, and Bell Atlantic and Ameritech have a joint venture in Telecom Corp. of New Zealand. US West has a joint venture with the Hungarian government to own and operate a national cellular system.

The regionals are also paying more attention to the rapidly growing cellular market. Of the seven regional companies, Southwestern Bell makes the most on its cellular operations. Bell Atlantic is in the midst of buying Metro Mobile, which will add 11.5 million potential cellular customers to Bell's existing 22 million potential customer base and will make Bell Atlantic one of the biggest cellular operators.

The table lists the seven Baby Bells and some other phone utilities. New York-based Nynex ties for the highest yield, 5.9%, with Bell Atlantic. The latter trades at only 13 times latest 12-month earnings (versus 28 for the Barra All-US index). ■

Good calls

Company	Price recent	Price 52-week high	Price 52-week low	Latest 12-month EPS	Latest 12-month P/E	EPS 1992 est	Yield	Average annual total return*	Revenue ($mil)	Market value ($mil)
Alltel	38⅞	43¼	34¾	$2.34	17	$2.56	3.8%	23.2%	$1,748	$3,079
American Tel & Tel	43¼	43⅜	32⅞	0.40	NM	2.94	3.1	17.0	63,089	56,629
Ameritech	63½	67⅞	55¾	4.39	14	4.84	5.5	20.2	10,818	16,931
Bell Atlantic	44⅜	52¾	41¼	3.41	13	3.45	5.9	18.1	12,280	17,575
BellSouth	49¾	54	43⅜	3.11	16	3.30	5.5	17.7	14,446	24,134
Centel	41½	47¾	26⅜	1.89	22	0.71	2.2	23.2	1,181	3,503
Cincinnati Bell	17⅛	25⅜	17⅜	0.63	28	1.07	4.5	22.2	1,087	1,101
GTE Corp	32¾	35	28⅛	1.75	19	2.12	5.2	19.2	19,621	28,394
MCI Communications	33⅜	36⅛	25¼	2.01	17	2.29	0.3	14.3	8,433	8,498
Nynex	78	82⅜	68	2.98	26	6.18	5.9	19.0	13,229	15,890
Pacific Telesis	42⅝	45	37⅝	2.58	17	2.98	5.1	20.7	9,895	17,093
Southern New Eng Tel	31⅝	35	29	2.06	15	2.50	5.6	15.2	1,633	1,981
Southwestern Bell	62⅜	66	49	3.85	16	4.17	4.7	21.7	9,332	18,704
Sprint	23⅞	31½	21	1.68	14*	1.93	4.2	17.3	8,780	5,132
US West	36¼	40	33⅜	1.38	26	3.05	5.7	18.1	10,577	14,860

*From 2/16/84 through 4/30/92. NM: Not meaningful.

Sources: Value Line and IBES, via Lotus One Source; Wilshire Associates (average annual total return).

The seven Baby Bells and their former parent, AT&T. For comparison, seven other regional or long distance phone companies are also included.

Always somewhat patronizing about the U.S.' race problems, Western Europeans are discovering that integrating minorities isn't as simple as their intellectuals liked to think.

People in glass houses throwing stones

By Richard C. Morais

PREDICTABLY Western Europe's left-wing media were gloating over the race riots that broke out in Los Angeles early this month, gleefully blaming the situation on budget cutbacks by the Reagan and Bush administrations.

Conveniently forgotten for the moment was the fact that German hoodlums have been firebombing refugee camps, French police have been brutalizing Algerians, and Italians have been growling at the growing number of black Africans peddling their wares on city streets.

European TV regaled viewers with scenes of Los Angeles burning. And yet German border guards armed with infrared equipment fly choppers up a stretch of the Neisse River along the Polish border. It isn't Soviet tanks the Germans are hunting for but a threat both more insidious and less easily resisted.

Recently, there was a crackling of radio communications as the helicopter directed a squad of paddy wagons on the ground racing toward a flash of movement. The night netted 61 illegal immigrants, some without passports, from Romania, Bulgaria and Russia.

Says Udo Schnettler, chief commissioner of the German border police in Frankfurt an der Oder: "They want a small piece of the European cake." But back the illegals went that night, cakeless, at least until the next try at sneaking through the highly guarded border.

The Neisse River is the Rio Grande of Western Europe, battlefront of an immigration war. The statistical office of the European Community, Eurostat, estimates that the 12 EC member states had an "official" net migration—inflows minus outflows—of nearly 1 million in 1990. But that's only the official figure. Stab-in-the-dark estimates of actual immigration, legal and illegal, into Western Europe run as high as 2 million for 1990. If gaining entry to the U.S. was once the goal of the downtrodden masses of Europe, today Western Europe ranks with the U.S. as a magnet for the world's ambitious poor.

Guards patrolling the Oder River on the Polish border

A European police state in the making?

In today's Western Europe the masses are neither downtrodden nor dissatisfied, no longer emigrating en masse. They are happy to stay at home. To them American capitalism is rough-and-tumble compared with Europe's welfare capitalism. That same welfare capitalism looks irresistible to the depressed, threadbare masses of Eastern Europe and the former Soviet Union, to say nothing of Africa. And Europe is uncomfortably close to most of today's trouble spots *(see chart, p. 86)*, making mass immigration seem much easier. Laments one Italian businessman: "If

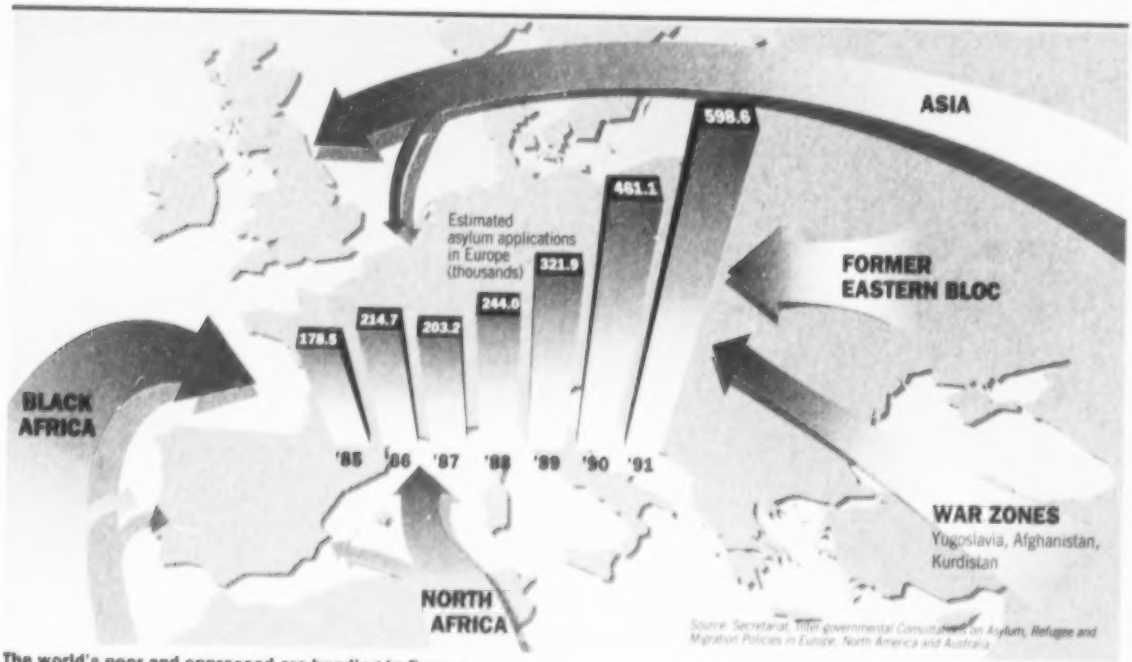
Jean-Marie Le Pen, leader of the French National Front
His anti-immigrant rhetoric is appealing to many Europeans.

they have to, the Algerians will swim over."

Americans, however they feel about steady immigration, are mostly resigned to it. Europeans are not. Most Americans are accustomed to sharing their streets and their schools and their neighborhoods with foreigners. As recently as 20 years ago homogeneous Euro-burghers swiveled their heads to gawk and stare at an African. Today the sight has become for them uncomfortably common. Lisbon is packed with black construction workers from Cape Verde. Night duty in Amsterdam's hospitals is dense with Polish nurses.

To put it bluntly, most Western Europeans don't like it. Anti-immigrant politics is no longer a fringe movement for neo-Nazis but is rapidly moving center stage with mainstream politicians. The pressure is coming from the voting booth: The right-wing Die Republikaner party just won 11% of the vote in Germany's wealthiest state, Baden-Württemberg; neonationalists took 23% of a recent vote in Austria; in France, Jean-Marie Le Pen's 50-point plan to turn immigrants into third-class citizens earned him 14% of the national vote, higher yet in the south; the Vlaams Blok party of Belgium has 12 seats in its chamber, compared with 39 seats for the nation's largest party. All these parties really have just one platform: Get those people with the funny accents and strange habits out of our neighborhoods.

To fully grasp how these election results are redrawing Europe's politi-



The world's poor and oppressed are heading to Europe.
Europe needs to gain control over immigration, and yet reasoned dialogue is missing from the debate.
Says an expert: "You mention immigration and Europeans get hysterical."

cal map, it pays to listen to Munich's powerful city councillor, Peter Uhl. He is no far-out David Duke type but a leading member of the CSU party, the southern German sister party and coalition partner of Chancellor Helmut Kohl's CDU. "The boat is full," insists Uhl, in his tidy office. "We can't save Calcutta by bringing Calcutta to us."

This from a responsible, mainstream German politician. Without quite intending to, Uhl has borrowed the rhetoric from the fringe Die Republikaner party's Bavarian headquarters, an office behind a tanning salon in an unfashionable quarter of Munich. Past the tight security and steel door a party poster depicts a boat overloaded with cartoon Africans, Arabs, Russians. The caption: "The boat is full."

Die Republikaner party's Bavarian headquarters is behind a tanning salon in an unfashionable quarter of Munich. Past the tight security and steel door a poster depicts a boat overloaded with Africans, Arabs, Russians. "The boat is full," reads the caption.

Uhl and other mainstream politicians are migrating toward the positions of what can only be called racism in order to recover votes from these emerging extreme nationalists.

But how can Europe keep out these huddled masses without adopting the practices of a police state? It probably can't. In London foreigners must carry green, alien "registration" papers and notify local police every time they change neighborhoods.

In the streets of Genoa *carabinieri* with machine guns routinely demand to see the papers of immigrants, frisking them during the process.

Germany is rapidly moving toward setting up giant internment camps for asylum seekers. Fenced in and forbidden to leave the camps, hordes of asylum seekers will be efficiently processed by an army of officials and judges. The reported response of a defensive German politician supporting the idea: "No one is going to put up any barbed wire."

But if barbed wire is too much a symbol of Hitlerism and Stalinism, fences and armed guards and helicopter patrols apparently are not. It now seems certain that Europeans will put up with a fair amount of authoritarianism rather than risk being overrun by foreigners.

It is easy to dismiss the ultraright parties because their leaders are so repugnant. Franz Schönhuber, leader of the Republikaner party in Germany, is a former member of the SS; France's Jean-Marie Le Pen keeps a pet white rat, a symbol of racial purity, and lovingly kisses it on the mouth for television cameras. You can despise these people, but you cannot ignore that their anti-immigration messages resonate among ordinary burghers.

Take the situation in Germany, whose constitution guarantees a haven to victims of political persecution. Applications for asylum have been doubling every two years. No one believes that political persecution is on the rise; but more and more foreigners are claiming the right to asylum in order to earn German money. About 70% of Europe-bound immigrants flock to Germany, because as soon as an immigrant crosses the border and requests asylum, the state rolls into a lengthy government-paid review and appeal process. In 1990, when the recent wave of immigration seemed to have peaked, 1.1 million immigrants arrived in Germany, an already densely packed nation of 70 million.

Munich's story is typical. This wealthy Bavarian city is absorbing 1,000 political asylum seekers a month, mostly from Zaire, Togo, Nigeria, Yugoslavia, Russia and Romania. Some of these immigrants have been smuggled into the country by Eastern bloc mafias charging up to $900 a head.

It costs Munich $16 a night to house an immigrant; he gets another $235 a month for food, drink and cigarettes until he can find a job. That's a lot more money than he or she could possibly earn at home—if there were even jobs available. So acute has the situation become that the city now houses single, male black immigrants in steel containers pro-

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Munich's single, male asylum seekers living in steel containers. **"The situation just overran us," says an official.**

Vadim Melnitchukowski, Russian Orthodox priest. **Wanting a better life for his wife and five children.**

tected by wire fences on the Theresienwiese, the park of the nationalistic Oktober Fest.

Only 3% to 8% of the political asylum seekers are eventually granted asylum status. But cases are appealed and fought—a process that lasts anywhere from two to six years.

Vadim Melnitchukowski is a goateed, once dissident Russian Orthodox priest who has lived the last two years in two cramped rooms at the Franz Mader holding camp with his wife and five children. He offers tea from a samovar and tells FORBES that his asylum request was turned down—Russia is now a democracy—but the family has switched tack. Now his wife is trying to prove she has German blood and has a right of citizenship. Outside his door Afghani women are frying bread.

Like Melnitchukowski, the vast majority of Munich's asylum seekers are eventually told that as "economic refugees" they have no right to stay. Some get on the plane and start the process in a new country, a lot of them go underground. "We estimate a third to a half go into the black market," says Uhl.

In the absence of a serious debate and reform proposals, however, the issue is left to the extremists to exploit. "You mention immigration and Europeans get hysterical," says Mark Miller, an associate professor of political science at the University of Delaware. "There's such palpable tension that it is very hard to talk reasonably about a general policy for family reunification, admittance of refugees and bringing in needed workers."

"Europeans are essentially anti-immigration," explains Philip Muus at the Center of Migration Research, University of Amsterdam. "Unlike the U.S., the positive effects of immigration are never stressed."

For example, few Europeans ask themselves who would clean their streets or do night duty at their hospitals if immigration were to dry up. Instead they look only at the cost side of immigration. Munich's Uhl tells FORBES that if you add in the cost of policing and pensions and whatnot, immigrants probably cost Germany well over $6 billion a year.

Uhl is looking at only one side of the ledger. Economists have consistently found that immigrants pump more into an economy than they take out. Academician Julian Simon, in his seminal study *The Economic Consequences of Immigration*, found that immigrants in the U.S. work more, save more, are more inclined to start a new business and use fewer social services than the existing labor.

Confirming Simon's studies is the work of Hans Dietrich von Loeffelhoz, a researcher at Germany's prestigious think tank, Rheinisch-Westfälisches Institut für Wirtschaftsforschung. He calculated that Germany's immigrants added $120 billion to the nation's GDP through increased productivity during the last 25 years, and every 100,000 of them add $600 million a year to the tax rolls. End result: Germany's immi-

grants produce a minimum *net* gain of $15 billion a year for the state.

London is a fine example of the principle at work, where Asians have greatly enhanced the city's livability. Every neighborhood now has a corner shop like the one run by Ghulam Halid in affluent Swiss Cottage. In 1967 he arrived from Pakistan. Today Halid and relatives keep his store open seven days a week by working 14-hour days. The working couples of the neighborhood depend on him for odd-hour purchases of Spanish onions, run-resistant stockings, the occasional bottle of Chianti.

Indeed, in just 30 years Britain's industrious Asian immigrants have become a vital economic force to reckon with. Dangerous radicals? Unwanted intruders? At the height of the recent election that returned John Major to power, a fleet of Mercedes unloaded wealthy Asians at the Cavalry and Guards Club in Piccadilly. The Home Secretary was giving a pep talk to the Durbar Club, a group of Asian millionaires who help finance the Tory party.

The Continent is rapidly aging. Under-20-year-olds accounted for

Workers in London's Chinatown

Assimilation? No thanks.

30% of the EC's population in 1980, just 25.5% ten years later. What new workers will pay into the social security system supporting ever more pensioners? It is unlikely that younger Europeans will be able to support their elders in an efficient economic way, concluded a Eurostat study, "without having to rely on imported labor." Says Amsterdam's Muus: "We need immigrants."

Yet European rightists point to Los Angeles as proof that a melting-pot society can't work. The boss of the Bavarian wing of the Republikaners, Wolfgang Hüttl, says flatly: "I believe the U.S. will fall."

What this fatuous remark shows as much as anything is an unwillingness by most European societies to even try the melting-pot concept. In Holland, for example, asylum seekers can't work for at least three years, which makes them an unproductive burden on the state. Why are politicians surprised if taxpayers resent immigrants? Most immigrants want to learn Dutch, but they encounter hidden barriers.

In the U.S. assimilation has traditionally been the solution, a sort of assimilation where the immigrants have not only adopted some of the native culture but have contributed to it as well; everything thrown into a melting pot ends up as part of the resulting broth.

The European right and the Ameri-

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can left have a lot in common; both argue that the melting pot is a bad thing. The European right proposes to deal with the problem by keeping foreigners out of their genetic and cultural soup; the American left advocates, in effect, using different pots for each group.

In Europe, immigrants make a handy lightning rod for popular dissatisfaction. In France, for example, chronically high unemployment is blamed on immigrants. The real villain here—as elsewhere in Europe—is the welfare state. According to the OECD, France's unemployment is caused by rigid labor laws, excessively high minimum wages, poor mobility.

Many Germans blame a housing shortage on immigrants. But why hasn't new housing been erected to satisfy the demand? Blame Germany's anal-retentive housing regulations: The government has scared off investors by constantly boosting tenants' rights; construction standards, affirms the Munich-based economic institute IFO, are some of the toughest in Europe.

None of this makes it any easier for the U.S. to deal with its race problems. But it ought to make Europeans think twice before criticizing the U.S.: However profound our race problems, we have gone much further toward creating a working melting pot for humanity than they have. Even as Americans strive honestly if sometimes clumsily to create a more egalitarian society, Europe is well on its way toward throwing up walls of protectionism and police supervision against foreigners—threatening both its own economic growth and its own liberties. ■

Muslim butcher in Paris

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High salaries for corporate bosses are no more immoral than fat paychecks for TV newscasters or celebrity entertainers. The trouble is that executive compensation isn't always tied to performance.

Put them at risk!

By Dana Wechsler Linden and Dyan Machan

IT'S AN OLD STORY, but it's apt: When someone complained that Babe Ruth made more money than President Hoover, the Babe snapped back: "I had a better year than he did."

Nice comeback. If only the Babe were around to comment on the whole issue of executive compensation. Chief executives—and their boards—are the ones taking the heat these days, from shareholder groups, TV newscasters and politicians who know a hot issue when they see one.

It's an easy issue for the media and the politicians because the numbers are public and simple to understand and, of course, envy is an easy emotion to arouse. However, the issue is more complex. Capitalism is all about incentives and disincentives, and money is perhaps the chief of the incentive/disincentives. Why should a society resent a business executive's multimillion-dollar pay package but care little that an entertainer or TV newsreader makes as much? If some Congress members want to cap the tax deductibility of salaries over $1 million a year, will they next propose a cap on all professions? Unlikely.

Is executive pay really out of line with what we pay people at the top of other fields—our most successful heart surgeons, authors, anchormen, cartoonists and professional models?

Comparing top executive pay with that of people at the top levels of other jobs, we found out some interesting things. For one thing, there is a vast range of top pay across occupations, from $1.5 million for a Hollywood agent to $100 million for a top money manager—the latter earning more than 20 times the median earnings of the 100 highest-paid chief executives last year. The median chief executive: General Dynamics' William Anders, with earnings of $4.5 million.

Are money managers "worth" 20 times what top executives are worth? Are singers and dancers worth more than people in whose hands rests the responsibility for much of the nation's prosperity?

What's the relative "worth" of various occupations? University of Chicago professor Sherwin Rosen has some ideas on that. He's written about the economics of superstars, and explains that an important question is how much leverage a job has. Athletes, for example, fetch a lot of money these days, in part because TV allows their talent to be enjoyed by a lot of people.

Thus 29-year-old hoopster Michael Jordan can make $16 million because his talent and celebrity status attract people to games and to products he endorses. And athletes are subject to relatively pure market forces. A baseball player's "production" statistics are measurable, and when they slip, so does his paycheck—at contract renewal time.

Given that the health of much of our economy depends on their decisions, top business executives are at least as important to our society as surgeons and perhaps more so than athletes and musicians. Says Professor Rosen: "A management decision at the top percolates throughout the whole corporation. Each worker should be willing to pay a little bit so the most talented person is at the top, affecting everybody. In a huge company, those little bits add up to a lot."

Given all this, why should people be surprised that top business executives rank among the nation's most highly compensated people? "Americans have always been accepting of disparities of wealth," says historian Gordon Wood, author of the highly acclaimed book *The Radicalism of the American Revolution*, which traces America's evolution from a monarchical to a democratic society. One of the most important forces behind the evolution was Americans' unique passion for commerce.

In the early 19th century, Alexis de Tocqueville wrote that he was astonished to find that Americans thought that not only work itself but also "work specifically to gain money" is "honorable." De Tocqueville's Europe despised commerce. Soldiers and nobles were the leaders of society. "Tradesmen" could scarcely expect an invitation to the royal ball.

With the American respect for commerce came social equality: Anyone, not just generals and dukes and bishops, could attain privilege. But they attained it through acquiring wealth, not through birth, and in acquiring wealth some people left others behind. Most of those left behind reluctantly accepted the situation because they knew their children still had a chance, and, anyhow, maybe they would win a lottery. Besides, points out historian Wood: "Money is the least humiliating of ways that people can feel inferior."

So let's put the question of executive pay in a historical and economic framework. Most Americans today, after giving the matter some thought, would probably agree

that the right question isn't whether executive pay is too high. It's whether there's a free, efficient market determining the pay for executives. In other words, are the bosses just fat cats rewarding themselves at the expense of stockholders and consumers and workers? Or are they paid proportionately to their contribution? And that's where the real problem comes in.

In a 1988 study of 89 companies, Charles O'Reilly at the University of California at Berkeley found a strong correlation between chief executive pay and the earnings of the chairman of the compensation committee. Although he found that executives could get themselves modest raises by improving return on equity, the easiest way for a chief executive to bat his pay out of the park was to appoint to the compensation committee a highly paid fellow chief executive officer. Scratch my back, I'll scratch yours.

Because many boards simply rubber-stamp what the chief executive wants, big institutional investors have gotten into the act. Warren Buffett, for example, says that pension funds and the like should see themselves as "parents" of the S&P 500. The old rule was: If you aren't happy with management, sell the stock. That no longer works, because the big funds have so much money they have no choice but to invest in the biggest companies. So Buffett thinks they should be less shy about prodding poorly performing managements. Says Buffett, whose Berkshire Hathaway owns many private businesses in addition to its public holdings: "I don't tell candymakers how to make candy, but I review the candymaker's performance and hold the managers accountable. That's what shareholders ought to be able to do."

John Neff, who runs Vanguard's $8 billion Windsor Fund, says companies should take at least one day a year to meet with their 10 to 20 largest holders. "Something like a New England town meeting," says Neff. "Do it on a board day so that institutions could speak to directors."

Obviously, executive compensation would be a topic at such meetings between chief executives and their bigger shareholders. But more for its symbolic importance than for its substance. What the institutions want, what most shareholders want, is at least average and preferably above-average results from managements.

One of the nation's largest pension funds, the $46 billion College Retirement Equities Fund, has decided to withhold votes on some director slates of companies with below-average profitability. (The fund is still picking its targets.) California Public Employees Retirement System has a list of 13 companies where it will withhold its proxies or vote them against management's slate of directors. The group comprises American Express, Time Warner, USAir Group, Polaroid, Ryder System, ITT, Hercules, Dial, Control Data, Chrysler, Salomon, IBM and Sears, Roebuck.

Granted, chief executives' productivity is hard to measure. Has an executive who lays off tens of thousands of workers failed? Not necessarily. In doing so he may have saved the business and thus preserved many more jobs. Moreover, a chief executive may make decisions today whose success or failure will become apparent only after he has retired. But that's what boards of directors are supposed to be for. They are supposed to judge the boss by tough standards. Increasingly they are doing so, but there is still far too much cronyism and back-scratching going on. Clearly, it is time for big shareholders to take a role, and that is exactly what they are starting to do.

Looked at from this perspective, it would seem that what is wrong is not that some chief executives make huge salaries—that's the American way. What's terribly wrong is that too many boards of directors blindly support some chief executives who simply are not performing. In soon-to-be-published research, Steven Kaplan of the University of Chicago Graduate School of Business says that on average a chief executive has a 10% chance of losing his job in an average year. If his stock price is down 50% relative to the whole market, his chance of being dismissed rises to 15%—and 17% if his firm is in the red.

Shouldn't the risk of getting fired be much higher for bosses who don't deliver? If it were, critics of the system would have less to complain about. Babe Ruth had it right. It's not who you are but how well you deliver that should decide the heft of your pay packet.

Actor
Arnold Schwarzenegger
$15 million

Seven times Mr. Olympia, five times Mr. Universe, Arnold Schwarzenegger at 44 still tips the scales at 220 pounds. What's more, says movie producer Brian Grazer, "He's worth his weight in gold."

Much more. Schwarzenegger got $16 million—including $6 million last year from videocassette revenues—for starring in Grazer's 1990 film *Kindergarten Cop;* that would buy a ton of gold and leave some change. Last year

Hollywood's most lovable cyborg
Worth more than his weight in gold.

he collected another $9 million from *Total Recall*, bringing his total earnings to $15 million and making him one of the highest-paid actors in Hollywood. (Kevin Costner made $50 million, but mostly from directing and producing *Dances with Wolves*.)

Schwarzenegger is married to Kennedy family member Maria Shriver. The couple live in the Pacific Palisades section of Los Angeles with their two daughters. He is chairman of the President's Council on Physical Fitness & Sports, and campaigns for Republican politicians. He probably has political dreams himself.

"Arnold is very Nietzschean," says John Milius, director of *Conan the Barbarian*. "He believes in Will."

Schwarzenegger's determination is so intense that, as he explains in the 1976 documentary *Pumping Iron*, he stayed away from his father's funeral so it would not interrupt his concentration before the Mr. Universe contest. Schwarzenegger's publicist insists this story was a fabrication. His first big break in Hollywood came in 1982 with the title role in *Conan the Barbarian*. Schwarzenegger was paid some $200,000. But the film grossed an unexpected $100 million and established the classic Schwarzenegger character: icy, brawny and inexpressive—yet somehow endearing.

But there's nothing endearing when he's talking deals. "He understands how far he can go to get what's good for him and pushes it pretty good," says Grazer. –MATT REES

Cartoonist
Charles Schulz
$25 million

"It's a standing joke among my friends that I don't know how much I make," laughs cartoonist Charles M. Schulz. Perhaps FORBES can help him out. By our estimates, Schulz earned $25 million last year—and not just because he is a brilliant cartoonist. Schulz is quite an entrepreneur.

Peanuts appears on the funny pages of 2,300 newspapers worldwide—more than any other comic strip. But that accounts for only about $5 million of Schulz's income. It's licensing revenues that have made Charlie Brown's creator truly wealthy; generally, they contribute upwards of 80% of his annual earnings.

Bud Thorpe/Globe

Charlie Brown's creator
His wages aren't peanuts.

"Schulz was way ahead of his time," says an industry consultant who estimates that the licensing market grew 3½ times during the Eighties. The syndicate started aggressively promoting his strip in the Fifties. Since the first plastic Snoopy doll appeared in 1958, likenesses of the *Peanuts* crew have sprung up on products ranging from T shirts to wristwatches to greeting cards.

Schulz grew up surrounded by the funnies. His father, a St. Paul barber, bought four newspapers every Sunday to sample a broad array of comics and nicknamed his son Sparky—as Schulz's friends call him to this day—after a character in the cartoon *Barney Google*.

After high school, Schulz studied art by mail, graduating from a Minneapolis correspondence school. He started drawing cartoons, peddling his drawings to various publications and syndicates. In 1950 United Feature Syndicate changed the name of his strip from *Li'l Folks* to *Peanuts* and sold it to seven papers that year.

Schulz still produces his comic strip without an assistant, a rarity for superstars in the business. When he does retire, his contract stipulates the strip will end—but his licensing fees will probably outlive him.

Schulz isn't apologetic about his take. "You can't cheat a newspaper editor," he says. "He pays what the strip is worth to him." He adds, "I would do what I do, no matter what I got paid."

–RIVA ATLAS

Author
Tom Clancy
$15 million

We asked Cold War techno-thriller author Tom Clancy a tongue-in-cheek question: Is it fair for him to earn that much money when the average American author earns barely $10,000 a year? "What are you, a communist?" Clancy snapped.

George Lange/Globe

Battle-ready wordsmith
The hubbub over executive pay: "A red herring perpetrated by the Japanese."

Well, we asked for it: Dumb questions deserve dumb answers. But that's exactly the same question the media keep asking about the people who run our big corporations—even though most of the executives earn a lot less than Clancy does.

The author of bestsellers such as *The Hunt for Red October* reminded us that nobody awarded him that money. "It's democracy in action," he said of his huge income.

Certainly Clancy started out with no special privileges. The son of a Roman Catholic mailman, he grew up in a Baltimore row house and worked his way through nearby Loyola College. He got married in 1969, right after graduation, and started selling insurance. He did well, and in 1984 Clancy was still living quietly, running his insurance business and making a comfortable $100,000 a year.

That year, the novel he'd just written in a mere three months was published by the Naval Institute Press. (Clancy's advance was $5,000.) *The Hunt for Red October* hit the top of the bestseller lists after six months.

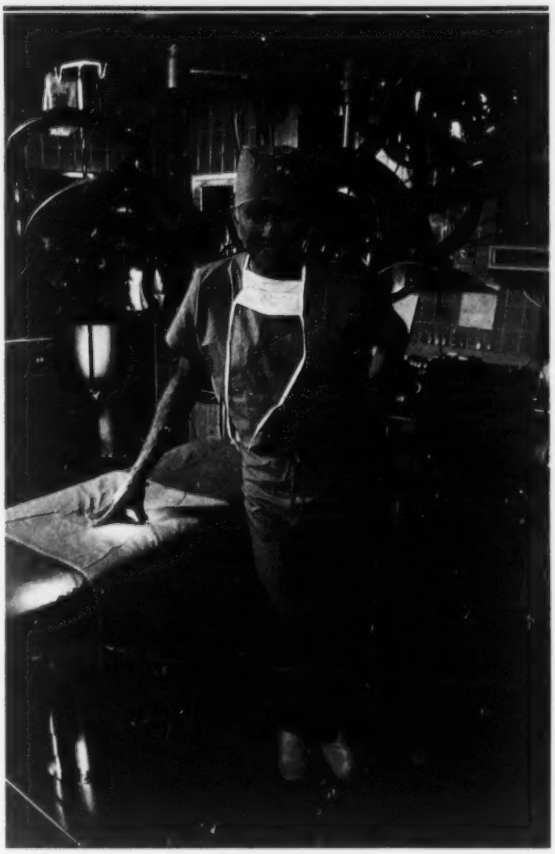
Two years later Clancy gave up his insurance business. His writing has become a money machine: Over 30 million copies of his six books have been sold. His latest advance—for *The Sum of All Fears*, an intrigue about Arab terrorists with A-bombs—reached an extraordinary eight-figure sum. Two of Clancy's books have been made into movies, although the author says that thus far his books have accounted for 90% of his income.

Nobody makes people buy his books or read them. People choose to and pay Clancy for the privilege. He sees nothing obscene about that, and neither do we. "Writing is miserably hard work," he says. "It isn't like you just wake up and get touched by the muse."

If he sweats over his books, he enjoys their fruits. The 45-year-old writer lives with his wife and four children in a 16,000-square-foot mansion—not including the pistol range, Clancy is quick to point out—built on cliffs overlooking Chesapeake Bay. He hangs out with military people and FBI agents in Washington. "When my friends say they've made a killing on the street, they really mean it," he says. —MATT REES

Assembly-line surgeon

Eight heart operations a day. "The more I operate, the more I earn."



Surgeon
Denton Cooley
$3.6 million

Renowned heart surgeon Denton Cooley knows how to make surgery profitable: Leverage your efforts. The man who completed the first successful human heart transplant in the U.S., in 1968, has a clinic in Houston with a staff of six surgeons. Cooley gets a cut of their earnings and has three operating theaters of his own, where schedules are synchronized so he can perform three delicate operations at a time. Assistants do all the preparation, and Cooley steps into each in time for just the most critical procedures.

This is not intimate, small-town-style doctoring. But it pays. Pumping out up to eight heart operations a day, 71-year-old Cooley earned $3.6 million in 1991, making him probably the highest-paid surgeon in the U.S.

Actually, his business has sloughed off quite a lot the past few years. Competition. In 1989 Cooley earned 2½ times as much—$9 million—performing up to 15 operations a day. He attributes the income fall to an increase of over 50% in the number of heart surgeons in the last decade. At Cooley's Texas Heart Institute, the price of a coronary bypass is still what it was three years ago, about $4,000.

What does Cooley do with his income? He gives a lot of it to his creditors. Four years ago, caught in the Texas realty crash, he declared personal bankruptcy after his commercial real estate investments declined in value from $100 million to $40 million. But he still lives well, with his main residence in Houston's tony River Oaks section, two beach houses on the island of Galveston and a cattle ranch about 40 miles northwest of the city.

After medical school at Johns Hopkins University, Cooley went back to Houston, where his family has lived for three generations, and joined the

staff of the Baylor University College of Medicine, founding his Heart Institute 30 years ago. He makes no apologies for his high income. He says he works 14-hour days during the week, a half-day on Saturday, and he visits patients Sunday evenings. "I only increase my income by increasing the amount of work I do," Cooley says. "The more patients I operate on, the more I earn." How does he feel about being one of the U.S.' top-earning people? He shrugs. "That's not a question in my mind. Somebody's got to be top of the heap."

–MATT REES

Mafioso

Thomas Gambino

$3 million

Who says crime doesn't pay? Try a 45% margin on a $40-million-a-year (revenues) trucking business.

According to law enforcement officials, the highest-earning mobster in the U.S. is probably Thomas Gambino, a capo in the biggest of the Mafia crime families. Along with his brother Joe, he ran four trucking companies, which served New York City's garment district. From an apparent operating profit of $18 million, he drew $3 million as his personal cut last year.

That's less than the median $4.5 million of the top 100 chief executives in our survey, but then most of them ran much bigger and more complicated businesses. And, of course, Gambino had easier ways of dealing with competitors than your run-of-the-mill business person had. He also had effective ways to make his customers pay premium prices for his services. Which is precisely why the business was illegal. Without the premium from strong-arming small garment makers to use the trucks, "there would've been virtually no profits," says Eliot Spitzer, a New York assistant district attorney who charged Gambino with state racketeering violations in February.

Gambino, 62, an elegantly dressed quiet man who looks a bit like actor Walter Matthau, was one of the few in his "family" without a criminal record until this year. He inherited the trucking business from his father, Carlo, who was once the family boss. Gambino graduated from Manhattan College in New York City, and a year later married the daughter of the boss of another crime family, the Lucheses. The couple have four children and lead a low-profile social life, dividing their time between a brownstone near Central Park and a suburban home in Lido Beach, on Long Island.

When the police raided Gambino's office, they found $50,000 in cash and a list of stocks and bonds worth around $60 million. Clearly, his trucking businesses threw off a lot of free cash flow. According to Gambino's plea bargain, he must pay a $12 million fine, but he should have no trouble with that.

If the law hadn't gotten him, Gambino would have faced no mandatory retirement, no board of directors to demand better performance. How long could he have ruled? "Until he got old and stagnant, or until he stepped on somebody's toes," says a police source familiar with the case.

–MATT REES

Steve Starr/Stern Lens

Classy capo **Elegant "businessman" who is probably the highest-paid mobster in the U.S.**

Television anchorperson

Dan Rather

$3.6 million

Dan Rather once said television anchorpersons shouldn't be richly paid.

In his 1977 autobiography, *The Camera Never Blinks: Adventures of a TV Journalist*, Dan Rather criticized Barbara Walters' million-dollar-a-year salary as co-anchor of the ABC evening news and commented: "In my own view, no one in this business is [worth a million], no matter what or how many shows they do, unless they find a cure for cancer on the side."

But that was when Rather was on the outside looking in. Since then Rather's agent has negotiated a $36 million, ten-year contract for the CBS Evening News anchor; that's $3.6 million a year. FORBES inquired whether Rather still felt that this was too much money for a newsperson. Rather declined to respond.

After studying journalism at Sam Houston State College, in Huntsville, Tex., Rather reported for various local radio stations. He broke into television in 1959 as a reporter for Houston's KTRK-TV. Just three years later, he was hired by CBS News as chief of its Southwest bureau.

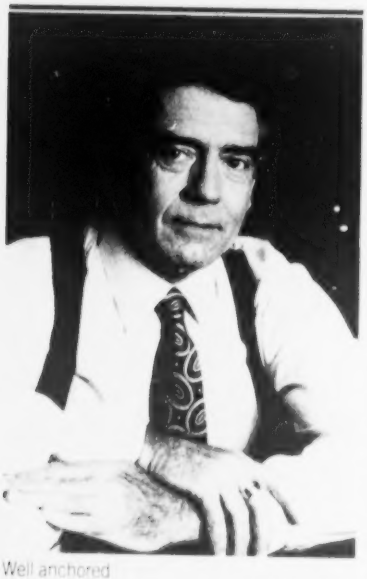
Newsman Rather has a way of making headlines himself. On Sept. 11, 1987 Rather marched out of the studio during the evening newscast, leaving six minutes of blank airtime. He was protesting the delay of the news in favor of an unexpectedly long tennis match.

Despite such displays of temper, Rather remains popular with viewers, his CBS broadcasts lagging ABC's Peter Jennings by just one rating point.

Says Ed Joyce, the former head of CBS News and Rather's former boss: "It's tempting to dismiss the skills of an anchorman, the ability to read words from a rolling sheet of paper and communicate their meaning . . . yet only a few win them in the genetic lottery."

As a winner in the genetic lottery, Rather seems to have changed his mind about how high the rewards ought to be.

–RIVA ATLAS



Well anchored

Genetic lottery winner.

American beauty

Companies pay her because her face guarantees business.

High-fashion model

Christy Turlington

$1.75 million

On her frequent flights between Milan, Paris and New York, fashion model Christy Turlington, 23, doesn't flick through the pages of *Vogue* or *Elle*. She is more likely to be engrossed in Hemingway or Somerset Maugham, reading stories set in some of the exotic countries in which she works.

Turlington says her longer term goal is to be a professional writer. The money she saves from the $1.75 million she made in 1991—and maybe twice that this year—will come in handy in getting her established in the writing business.

Last year Turlington received about half a million dollars for being the face of Calvin Klein fragrances in the U.S. and about a quarter of a million dollars for representing Guerlain in France. Turlington is one of the few models with the clout to insist on nonexclusive contracts. So on the side she pulled in another $1 million from assorted jobs—like walking the catwalk for Anne Klein or Perry Ellis at up to $25,000 a day. This year a five-year contract signed with Maybelline cosmetics in January will add another $1.5 million.

Turlington takes a refreshingly capitalist view of her handsome earnings. "There's a tremendous amount of money that's being made in this business [fashion and cosmetics], so when you think of it as being your commission, it's not that ridiculous," she says of her high fees. Companies pay her only because her face "guarantees a certain level of business."

Turlington left her native San Francisco and began modeling for Ford Models at age 14. At 16 she moved to New York and, along with five other Ford protegées, lived in the Upper East Side townhouse of boss Eileen Ford. She graduated from high school but did not attend college.

Two years ago she attained stardom, winning a contract with Calvin Klein.

Married last June to movie actor Roger Wilson, Turlington divides her time between a house in Hollywood and an apartment in New York's Soho. She plans to go to college eventually to study literature and architecture. In the meantime, she is happily learning how to handle big money. "I have a financial adviser. I've been in the stock market this last year. But only in blue chips."

–MATT REES

Insurance salesman
Sidney Friedman
$2.6 million

As an 18-year-old working to pay tuition bills at New York University, Sidney Friedman sold his first life insurance policy to an elderly man from Brooklyn. Six months later the man died of a heart attack. Friedman handed the widow a check from Prudential for $4,000; he'd collected a mere $47.92 in premiums.

Since then Friedman has been to 15 client funerals and sold policies so furiously that his commissions last year added up to $2.6 million.

Friedman sells policies for 30 major life insurers and receives up to 50% of the first-year premiums as commission. For the last eight years his commissions have run over a million dollars a year.

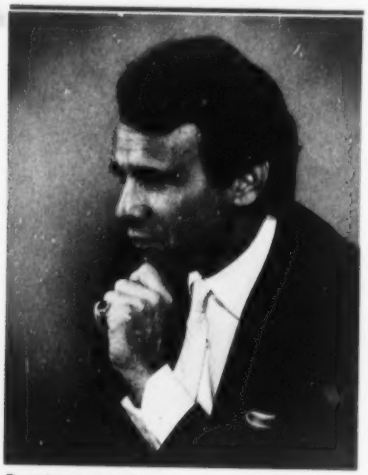
Last year was Friedman's best yet. "I worked my tush off," he laughs. "I don't think I'm very much better than most of the people in the business. The difference is, I finish every time. I do what I promise."

Last month Friedman closed a deal with a client in New Jersey. Friedman had made 25 visits to the client's office over three years, helping to solve problems on insurance policies Friedman hadn't written. Finally, Friedman sold a pension and estate planning policy, taking in a $52,000 premium.

Friedman says his 15-hour days on the road or at his Philadelphia office leave little time to relax. "I gave up a home in Florida. I wasn't there that often," he says. Not to worry. He still has his contemporary art deco house in southern New Jersey and a beach house outside Atlantic City. And he makes time for his sideline as a motivational speaker. At $5,000 a pop, 14 insurance groups listened to Friedman last year.

Last year he donated his speaking services to children's charity events that raised $40,000.

One of his main inspirational messages is that work is fun. Says Friedman: "I'm one of the few people you'll meet who like to go to work on Monday morning." –MATT REES



Premium producer
He doesn't go to many funerals.

Plaintiffs' lawyer
Joseph Dahr Jamail Jr.
$60 million

"You called the right place," Joseph Jamail proclaimed when FORBES called looking for the nation's highest-paid plaintiffs' lawyer.

So we asked Jamail, 66, whether his $60 million paycheck last year was too high. "I don't have any moral judgment on what's right or wrong," he equivocated.

But in court Jamail doesn't equivocate. "He is the master of creating a morality play of right and wrong," says one defense lawyer. In the last two years, Jamail has handled ten personal injury cases that either settled or received verdicts of $1 million.

Last year the Houstonian who once threw mighty Texaco into bankruptcy won another giant case against accountants Coopers & Lybrand, arguing they committed fraud as auditors for bankrupt computer services firm MiniScribe. Though Jamail declined to comment, FORBES estimates the accountants settled in February for $105 million. With his regular one-third take, Jamail banked $35 million from this case alone.

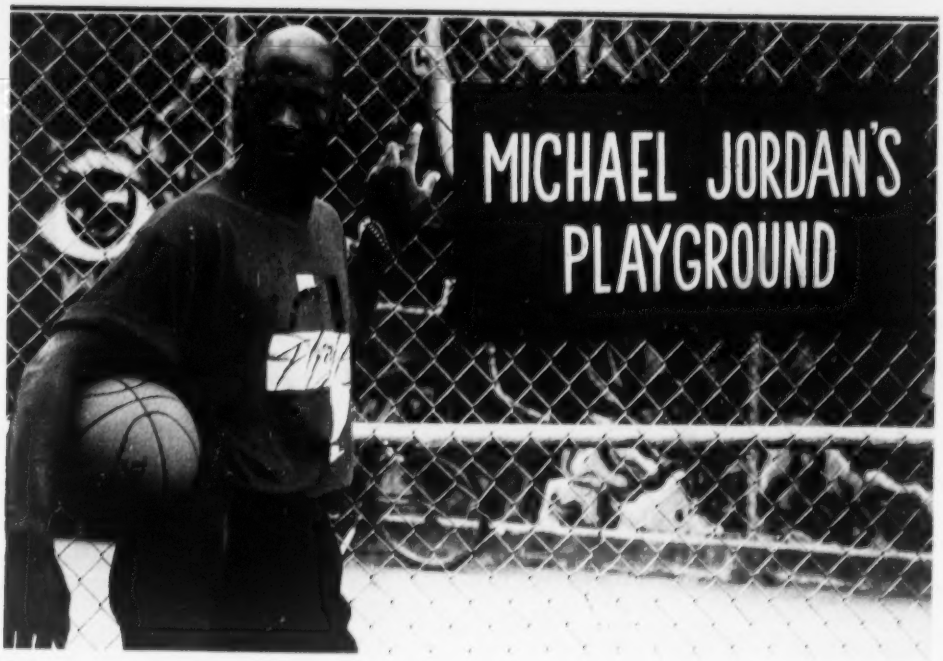
Corporate ambulance chaser
"It isn't like I robbed a bank."

Jamail went to college and law school at the University of Texas at Austin, to which he recently donated $13 million. His first job was in the Harris County District Attorney's office. His own practice, which he opened 38 years ago, employs eight salaried attorneys, including one of his three sons.

Outside the courtroom, Jamail is a regular at a few of his favorite local bars in downtown Houston. ("I guess you could call them joints. I don't like fancy hotel bars.") Weekends he heads for Galveston, where he has a beach home and a large house in town.

Having earned well over $400 million in the Texaco case, Jamail has outearned about every CEO in the U.S. But he sees no reason anyone should resent his wealth. "We're supposed to applaud achievement," he says, surprised. "It isn't like I robbed a bank or something, or I accidentally lucked into this s---. If I didn't win, I wouldn't get paid. It's all on contingency with me." –MATT REES

Mr. Endorsement
Strictly in terms of salary, he's underpaid, but he's not complaining.



Ray Pfortner/Allsport

Pro basketball star
Michael Jordan
$16 million

Michael Jordan, one of the best basketball players in history, is locked into an eight-year contract with the Chicago Bulls at $2.8 million a season. Too bad for him. That's close to $2 million less than another name player, John Hot Rod Williams. But not to worry: On the side he hawks products, including Nike's Air Jordan sneakers, Wheaties cereal and Hanes underwear. These endorsement contracts brought in another $13.2 million last year, bringing Jordan's take to $16 million, the highest for any American athlete in team sports.

"Nobody has ever been in demand to the extent he is," gushes David Burns of Burns Sports Celebrity Service, which helps place athletes in commercials.

"I'm not doing anything that anybody else in my position wouldn't do," he responded to a hostile question in a recent *Playboy* interview. "I want to take advantage of my opportunities and walk away from the game financially set."

Raised in rural Wilmington, N.C., Jordan was twice chosen College Player of the Year while at the University of North Carolina. The Bulls drafted him in 1984. He was named most valuable player in 1988 and 1991, the year the Bulls won their first NBA title.

Although the eight-year contract Jordan signed in 1988 seemed like a fabulous deal at the time, other players are now making a couple of million more.

No fool, Jordan knows he will have to put aside a good part of what he makes, because at 29 he isn't far from the end of his career. And he has expensive tastes to feed: He owns about a dozen cars (some from endorsements from Chicago-area Chevrolet dealers) and an extensive wardrobe (thanks to a marketing venture that licenses the Jordan label). He is reportedly in the midst of constructing a 26,000-square-foot home in a Chicago suburb, where he lives with his wife and two young sons.

Not that retirement from basketball will be the end of the line for Jordan. Says David Burns: "He'll make a third of the endorsement income he gets now," probably for the rest of his life. And there's always a chance of a second career. Jordan has said he wouldn't mind taking a stab at his second passion, golf.

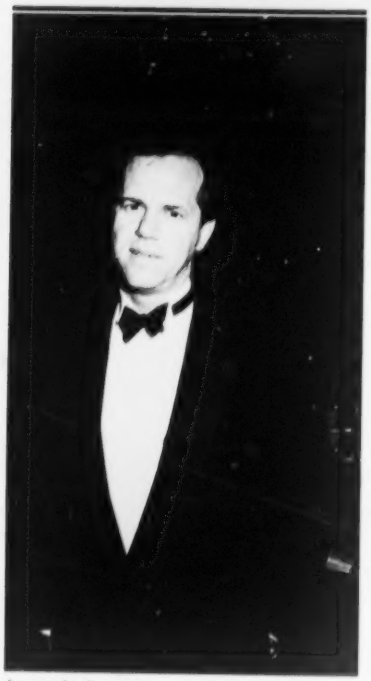
–RIVA ATLAS

Agent
Jeffrey Berg
$1.5 million

As chairman and one of four principal owners of the second-largest Hollywood talent agency, International Creative Management, 44-year-old Jeffrey Berg is one of the lower-paid people featured here—but he still earns more than the median salary paid the 800 chief executives on the FORBES list. Berg drew $1.5 million in earnings in 1991, making him among the highest-paid flesh peddlers in the country. (Michael Ovitz, head of top agency Creative Artists, did much better, but Ovitz is a dealmaker as well as a talent agent.)

For Berg, last year was a particularly good one. International Creative Management's revenues surpassed $70 million, a record, and the agency represented Arnold Schwarzenegger in *Terminator 2*, 1991's top money-making film.

The agency also snagged several top agents—along with their stables of stars, including Julia Roberts and James Spader—from rival William Morris Agency. And on Academy Awards night, Anthony Hopkins and Jodie Foster garnered best actor and best actress awards, respectively, for *Silence of the Lambs*. It was a personal



Agent of influence
"Iceberg" knows how to pick stars.

coup for Berg, who represents both.

Berg, known as the "Iceberg" for his cool demeanor and tough deal-making skills, was born in Los Angeles and studied English at the University of California at Berkeley. He isn't a regular on the Hollywood party circuit but dabbles in politics; he's an active supporter of Jerry Brown and of the British Labor Party. Curiously, his populist politics doesn't make him the least defensive about his personal wealth. "There's a direct relationship" between performance and compensation, he argues.

–Matt Rees

Clothing designer
Ralph Lauren
$64 million

The man who owns 90% of the eponymous Ralph Lauren empire was born in the Bronx in 1939, the son of a house painter. When he was 28, Lauren made his first rather modest splash in the fashion world with a line of wide neckties under the Polo label. Now he's celebrating his 25th anniversary from the top of Polo/Ralph Lauren, Inc., with worldwide retail sales of $3.1 billion.

How much did Lauren earn last year? A careful guess would put his personal take at over $60 million—assuming wholesale revenues of $1.5 billion and a typical aftertax profit margin. But that could be too low.

In an era when fashion is big business, Lauren and his minority partner, Peter Strom, are consummate businessmen; together they launched Polo's licensing business. Years before other designers started to, Lauren and Strom put the Lauren name on things like luggage, hosiery, shoes, furniture and perfume.

Lauren was one of the first designers with sufficient clout to be able to compete against his customers—especially department stores—by opening his own retail stores. Today there are 60 Polo stores in the U.S. and 90 abroad.

Lauren is above all an image-maker, creating out of his own imagination a Polo world, a romantic, genteel place where people play polo, picnic off tailgates on bone china and lead crystal, sip sherry and ride trains vaguely reminiscent of the old Orient Express.

Lauren's rewards include elaborate homes in Manhattan, Colorado, Jamaica and Westchester County, N.Y., and a Hawker Siddeley jet to ferry him, his wife, Ricky, and three children around.

If he is embarrassed about his riches, he shows no signs of it.

–Riva Atlas

Ralph and Ricky
The house painter's son who created a $1.5 billion empire.

Money manager
George Soros
$100 million

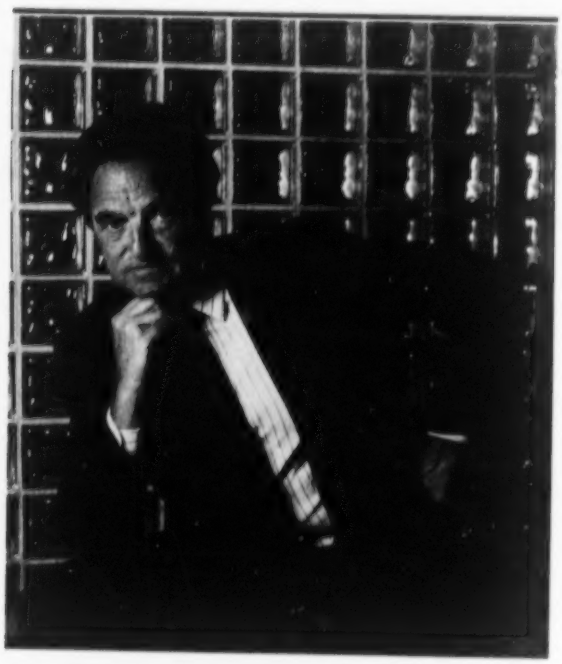
"As Borg is to tennis, Jack Nicklaus is to golf and Fred Astaire is to tap dancing, so is George Soros to money management," cooed *Institutional Investor* magazine over ten years ago. Soros' Quantum Fund, with an estimated $3.7 billion under management at the end of last year, is the largest foreign hedge fund. Soros probably outearned all other money managers last year. The Quantum

Fund was up an extraordinary 53.4%, according to Antoine Bernheim, publisher of a directory of foreign funds. FORBES estimates that Soros' cut of the fund's fees came to about $100 million.

Born in Hungary in 1930, Soros hid from the Nazis during World War II. After the war he went to the London School of Economics, immigrating to the U.S. in 1956. Soros got his start on Wall Street as an analyst, but in 1969 he was given the chance to manage a foreign fund for Arnhold & S. Bleichroeder. Four years later he and a colleague left with some of those accounts to establish Soros Fund Management.

Here's how he made his $100 million. Soros gets a huge portion—sources estimate about 50%—of Quantum's fees, which come to a penny a year on every dollar in the fund. The fund also charges a 15% fee on profits. Soros owns about 12% of the shares, giving him $156 million in paper profits last year.

Soros, 61, has five children by his two marriages. He has been delegating a lot of the decision making in recent years to Stanley Druckenmiller, lured away from Dreyfus Corp., who leads a team that runs the portfolio on a day-to-day basis. Soros increasingly spends time on the Soros Foundation, which donated over $25 million to foundations in Eastern Europe last year, mostly for education. "But Soros continues to be responsible for the overall strategic decisions, like whether to short the Japanese market and go long in Argentina," says an associate. –RIVA ATLAS



Hungarian fundmeister
As Fred Astaire is to dancing. . . .

Stockbroker
Martin Shafiroff
$4 million

Lehman Brothers' Martin Shafiroff doesn't make the kind of money Wall Street's big dealmakers pull in, but he is at the top of his field as a retail broker, earning last year around $4 million, making him one of the highest-paid brokers on Wall Street.

Featured in the 1978 book *Ten Greatest Salespersons,* Shafiroff has built up an impressive client base of over 1,000 accounts and has written a guide to selling by phone. He's also renowned among Wall Street brokers—dozens of whom he helped train—for his aggressive selling skills. "He distinguishes 20 types of 'no's' from prospective clients, and is able to figure out what their true objections are," says a former protégé.

Isn't that a lot of money to make for just working the telephones? "If you're with me for a degree of time, and allow for a properly diversified portfolio, I think you'll find I'm worth it," says Shafiroff.

Demon dialer
"No" doesn't mean "no."

According to Shafiroff, his clients are long-term investors in undervalued sectors offering high yields. Rivals claim there is a simpler explanation for his huge clientele: an unusual ability to get clients into hot initial public offerings and flip them out quickly at a nice profit. Either way, there's no doubt that he has a large roster of satisfied customers.

Shafiroff landed on Wall Street in 1966 after graduating from Bernard Baruch City University of New York with a major in finance and investments. After three years as a stockbroker at Eastman Dillon Union Securities Co., he joined Lehman Brothers.

Even though he employs a staff of seven, Shafiroff puts in long hours. He has only one home, a Manhattan apartment, and says his only hobby is spending time with his wife and two small daughters. Vacations consist of "going to a spot and being on the phone." Preferably, he explains, on the West Coast—where the time difference affords him a few hours of leisure after the market closes in New York. –RIVA ATLAS

All the caterwauling about excessive executive pay ignores the fact that the typical chief executive made just $1 million last year—a handsome reward but not out of line with what top people made in other fields.

Putting it in perspective

By Steve Kichen and Eric S. Hardy

FOR ALL THE HOOPLA about obscenely high executive salaries, the truth is that most of the really big hauls went to bosses whose stockholders also have done well.

Among the 800 chief executives covered in FORBES' compensation survey, the average pretax pay check was about $1 million. That sounds like a lot of money, and it is. However, these are the very top people in U.S. business and—as the profiles that precede show—the free enterprise system rewards all of its top people handsomely, whether their job is arching their eyebrows while reading you the news on TV, lining up the talent you enjoy seeing at the movies, suing on your behalf in court or performing delicate surgery.

But, of course, a lot of chief executives made a lot more than $1 million—and that's where stock market performance comes in. This year's winner of the executive sweepstakes is Anthony J.F. O'Reilly of H.J. Heinz. His

1. Anthony J.F. O'Reilly
H.J. Heinz
$75.1 million

2. Martin J. Wygod
Medco Containment
$34.6 million

3. Leon C. Hirsch
U.S. Surgical
$23.3 million

4. John C. Malone
Tele-Communications
$18.9 million

5. Richard K. Eamer
National Medical Enterprises
$17.5 million

6. Charles Lazarus
Toys 'R' Us
$16.4 million

7. Sanford I. Weill
Primerica
$16.1 million

8. Richard L. Gelb
Bristol-Myers Squibb
$12.8 million

9. James Wood
Great A&P Tea
$11.0 million

10. J. Peter Grace
W.R. Grace
$10.0 million

The best-paid chief executives 1991

Company/Chief executive	Stock owned market value ($mil)	Compensation: salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-year total ($000)
HJ Heinz/Anthony J F O'Reilly	$89.0	$1,361	11%	$2,271	$71,459	$75,091	$88,558
Medco Containment/Martin J Wygod	125.3	459	-21	104	33,996	34,559	40,517[2]
US Surgical/Leon C Hirsch	221.1	1,779	19	718	20,784	23,281	39,994
Tele-Communications/John C Malone	17.7	454	0	15	18,480	18,949	20,642
National Medical/Richard K Eamer	48.0	1,498	3	940	15,074	17,512	31,733
Toys 'R' Us/Charles Lazarus	27.8	5,372	2	8	11,046	16,426[3]	89,233
Primerica/Sanford I Weill	25.7	2,234	21	220	13,672	16,126	21,883
Bristol-Myers Squibb/Richard L Gelb	101.5	2,051	-2	1,516	9,221	12,788	36,639
Great A&P Tea/James Wood	0.4	3,618	6	8	7,375	11,001	29,601
WR Grace/J Peter Grace	17.6	1,706	8	3,389	4,875	9,970	17,898
ConAgra/Charles M Harper	65.4	2,463	52	5,228	2,101	9,792	25,791
Merrill Lynch/Daniel P Tully[1]	12.5	4,973	NA	4,541	—	9,514[4]	NA
Exxon/Lawrence G Rawl	14.3	1,813	17	93	7,453	9,358	19,390
Service Corp Intl/Robert L Waltrip	18.9	1,906	21	6,358	—	8,264	12,424
United HealthCare/William W McGuire	6.7	1,094	NA	—	6,891	7,985	NA
Avon Products/James E Preston	9.0	1,193	0	4,479	2,231	7,902	12,017[2]
St Jude Medical/Lawrence A Lehmkuhl	11.8	574	27	24	7,053	7,650	13,221
Morgan Stanley/Richard B Fisher	109.9	7,509	—	28	—	7,538	NA
Office Depot/David I Fuente	0.8	717	50	5	6,270	6,992	8,218[2]
RJR Nabisco/Louis V Gerstner Jr	22.9	3,179	5	3,791	—	6,970	NA
Intl Game Technology/Charles N Mathewson	61.2	548	34	20	6,238	6,806	8,039
Anheuser-Busch Cos/August A Busch III	68.3	1,879	8	27	4,776	6,682	31,008
Humana/David A Jones	85.1	1,366	20	189	5,045	6,600	12,505
Reliance Group/Saul P Steinberg	196.4	6,314	1	164	—	6,478[3]	26,624
Cooper Industries/Robert Cizik	12.8	1,124	-16	5,095	—	6,219	15,819

[1]New CEO, less than six months' service. [2]Four-year total. [3]Prior-year data. [4]New CEO; cash compensation is for another executive office. NA: Not available.

With a few exceptions, most of these executives made this list by cashing in stock options. This means that most of these bosses are unlikely to repeat on next year's roster of the best paid.

total package was $75 million, but note this: Over $71 million of that came in stock awards. O'Reilly did well because his shareholders did well. The stock has had a 700% gain since 1982.

Or take Robert Cizik, the dedicated and hardworking chief executive who built Cooper Industries into a big success. His salary and bonus last year was $1.1 million. But he made it to number 25 on our list because last year he recognized about $5 million in restricted stock awards—a gain he shared with his shareholders. Back in 1975, when he took over Cooper Industries, it was a sleepy diesel engine company with sales of $478 million and profits of $31 million. Last year Cooper earned $393 million on sales of $6.2 billion. A $10,000 investment in Cooper stock when Cizik took charge is now worth $97,000, a 14% average annual gain excluding dividends.

Of the 25 highest-paid executives, only 5 earned more than half their remuneration from salaries, bonuses or other compensation excluding their stock-related awards.

Only two chief executives made it to the top 25 in our compensation survey on salary and bonus alone, and they both run financial businesses. They are Richard Fisher of Morgan Stanley and Saul Steinberg, founder of Reliance Group. Steinberg, who controls 60% of Reliance, can, of course, pay himself pretty much what he likes, and he did: salary and bonus of $6.3 million. Fisher is a different case. He owns only 3% of Morgan Stanley, but his $7.5 million paycheck contained a $2.2 million stock award. The bonus seems deserved: Last year Morgan Stanley made record profits of $475 million on revenues of $6.8 billion.

Chief executives, the smart people they're supposed to be, took advantage of last year's strong stock market to exercise stock options. As a group, the 25 highest-paid bosses realized $254 million from options. It is also fair to say that these executives sold into strength: On average, shares of the companies of the 25 best-compensated

The best-paid chief executives 1987-91

Company/Chief executive	Stock owned market value ($mil)	Compensation					
		salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-year total ($000)
Time Warner/Steven J Ross	$29.4	$3,263	-32%	$146	—	$3,410[2]	$138,034
Toys 'R' Us/Charles Lazarus	27.8	5,372	2	8	$11,046	16,426[2]	89,233
HJ Heinz/Anthony J F O'Reilly	89.0	1,361	11	2,271	71,459	75,091	88,558
Walt Disney/Michael D Eisner	58.9	5,442	-52	7	—	5,449	73,125
Reebok International/Paul B Fireman	522.0	2,007	-86	518	—	2,525	58,831
McCaw Cellular/Craig O McCaw	373.6	155	-26	—	—	155	53,206
Lotus Development/Jim P Manzi	40.7	868	-12	66	3,485	4,419[2]	51,683
Paramount Commun/Martin S Davis	67.6	2,750	-25	2,303	—	5,053	42,045
Medco Containment/Martin J Wygod	125.3	459	-21	104	33,996	34,559	40,517[1]
US Surgical/Leon C Hirsch	221.1	1,779	19	718	20,784	23,281	39,994
Bristol-Myers Squibb/Richard L Gelb	101.5	2,051	-2	1,516	9,221	12,788	36,639
Freeport-McMoRan/James R Moffett	24.9	1,168	0	1,527	2,136	4,831	32,930
Apple Computer/John Sculley	7.5	1,338	-39	—	—	1,338	31,951
National Medical/Richard K Eamer	48.0	1,498	3	940	15,074	17,512	31,733
Anheuser-Busch Cos/August A Busch III	68.3	1,879	8	27	4,776	6,682	31,008
Chrysler/Lee A Iacocca	10.1	976	-14	117	—	1,094	30,179
Great A&P Tea/James Wood	0.4	3,618	6	8	7,375	11,001	29,601
Waste Management/Dean L Buntrock	119.0	1,100	-30	95	2,647	3,842	29,509
UAL/Stephen M Wolf	11.7	575	-50	2,258	—	2,833	29,419
Coca-Cola/Roberto C Goizueta	316.1	3,142	0	1,515	—	4,657	28,924
General Electric/John F Welch Jr	14.0	3,207	8	—	1,894	5,101	28,681
Masco/Richard A Manoogian	51.5	1,100	4	2,461	—	3,561[2]	27,811
Reliance Group/Saul P Steinberg	196.4	6,314	1	164	—	6,478[2]	26,624
ConAgra/Charles M Harper	65.4	2,463	52	5,228	2,101	9,792	25,791
Merck/P Roy Vagelos	43.6	3,344	60	6	—	3,350	25,712

[1]Four-year total. [2]Prior-year data.

More than half of these executives made this list by dint of stock gains or awards from past years. For example, from 1987 to 1991 Apple Computer's John Sculley made nearly $32 million. His 1991 earnings: a relatively modest $1.3 million.

bosses are off nearly 21% from their 52-week highs.

Remember this about stock options and other market-related payouts: Although they may have been earned over a considerable period of time, they get recognized only when paid or exercised. Thus a chief executive may get a big stock market payment after a year when his company's stock did not fare terribly well; but he probably wouldn't have gotten it had his stock not done extremely well over a period of time.

Because of this characteristic of stock awards—their being bunched up in a single year—our list of best-paid bosses is utterly unstable. Only 3 executives that are on this year's list were on our previous top 25 list. The three repeaters are Richard Eamer of National Medical Enterprises, Louis Gerstner Jr. of RJR Nabisco and Leon C. Hirsch of U.S. Surgical. Both Eamer and Hirsch are company founders. Gerstner profited from the reverse LBO of RJR Nabisco in 1991.

In just a few months H.J. Heinz will release a new proxy statement for the fiscal year ending in April 1992. We would be quite surprised if Chief Executive O'Reilly earns anything near the $75 million windfall reported in the 1991 proxy. For most bosses these enormous gains are a once-in-a-lifetime event.

Are there abuses in the American system of executive compensation? Of course there are. Too many chief executives are mediocre and get away with excuses when they should be producing results. But this is not the fault of the compensation systems. It is the fault of lazy or corrupt or captive boards of directors that shirk their job of holding the boss to account. If the boss isn't doing his job, he doesn't need a pay cut. He needs to be booted out. Sometimes the wrong people get the prize, but by and large, U.S. corporate executives are not paid too much—after all, winning the lottery through skill and hard work is what capitalism is all about.

Our complete statistical report on executive compensation starts on page 182. Here are the chief executives who were paid the largest salaries, took the biggest paycuts or own the most stock.

Winners and losers

Largest cuts in salary plus bonus

Company/Chief executive	Salary + bonus ($000)	% change
Reebok Intl/Paul B Fireman	$2,007.2	-86%
BHC Commun/Herbert J Siegel	2,014.2	-76
JWP/Andrew T Dwyer	574.4	-64
Westinghouse/Paul E Lego	677.1	-60
Tosco/Thomas D O'Malley	915.0	-58
Dreyfus/Howard Stein	1,113.2[1]	-53
Walt Disney/Michael D Eisner	5,441.5	-52
UAL/Stephen M Wolf	575.0	-50
Wells Fargo/Carl E Reichardt	775.0	-47
Oracle Systems/Lawrence J Ellison	900.0	-44

Largest salary plus bonus

Company/Chief executive	Salary + bonus ($000)	Total compensation ($000)
Morgan Stanley/Richard B Fisher	$7,509	$7,538
Reliance Group/Saul P Steinberg	6,314[1]	6,478
Walt Disney/Michael D Eisner	5,442	5,449
Toys 'R' Us/Charles Lazarus	5,372[1]	16,426
Bear Stearns Cos/Alan C Greenberg	5,299	5,299
Merrill Lynch/Daniel P Tully	4,973[2]	9,514
General Dynamics/William A Anders	4,450	4,496
First Financial Mgmt/Patrick H Thomas	3,764	3,924
Great A&P Tea/James Wood	3,618	11,001
PaineWebber Group/Donald B Marron	3,600	3,600

Largest stock gains

Company/Chief executive	Stock gains ($000)	Total compensation ($000)
HJ Heinz/Anthony J F O'Reilly	$71,459	$75,091
Medco Containment/Martin J Wygod	33,996	34,559
US Surgical/Leon C Hirsch	20,784	23,281
Tele-Communications/John C Malone	18,480	18,949
National Medical/Richard K Eamer	15,074	17,512
Primerica/Sanford I Weill	13,672	16,126
Toys 'R' Us/Charles Lazarus	11,046[1]	16,426
Bristol-Myers Squibb/Richard L Gelb	9,221	12,788
Exxon/Lawrence G Rawl	7,453	9,358
Great A&P Tea/James Wood	7,375	11,001

Largest shareholdings by percentage

Company/Chief executive	Stock owned %	Stock owned mkt value ($mil)
Great American Mgmt/Samuel Zell	74.01[3]%	$205.0
Reliance Group/Saul P Steinberg	60.23[1]	196.4
Turner Broadcasting/Robert E Turner	58.77[1]	1,942.5
Bindley Western Inds/William E Bindley	44.76	45.0
Berkshire Hathaway/Warren E Buffett	44.68	4,582.4
Sequa/Norman E Alexander	38.62	139.9
Metro Mobile CTS/George L Lindemann	38.17	552.0
Mercury General/George Joseph	35.04[1]	131.8
Brown-Forman/W L Lyons Brown Jr	34.53	710.4
Riggs National/Joe L Allbritton	34.39	58.5

[1]Prior-year data. [2]New CEO; cash compensation is for another executive office. [3]Shares indirectly held.

Largest shareholdings by value

Company/Chief executive	Stock owned %	Stock owned mkt value ($mil)
Microsoft/William H Gates	32.68%	$6,757.7
Berkshire Hathaway/Warren E Buffett	44.68	4,582.4
Limited/Leslie H Wexner	21.75	1,948.3
Turner Broadcasting/Robert E Turner	58.77[1]	1,942.5
NIKE/Philip H Knight	34.04	1,689.0
Gap/Donald G Fisher	24.64[1]	1,519.5
Loews/Laurence A Tisch	14.38	1,047.9
Novell/Raymond J Noorda	10.88	881.7
Brown-Forman/W L Lyons Brown Jr	34.53	710.4
FlightSafety Intl/Albert L Ueltschi	33.83	568.4

What 800 companies paid

ARE LOTS OF CEOS paid more than they are worth? Probably, but the media attention and heat generated by the topic have grown out of all proportion.

Put it in perspective: The 800 chief executives in this survey had total compensation of $1.4 billion last year. That was a bit over 1% of the net profit those firms earned and about 4 cents on every $100 of revenues. If the top brass worked for nothing, the impact on the bottom line would be insignificant.

Although 1991 saw the usual handful of spectacularly high CEO take homes, the average chief executive in our survey earned $942,000 in salary and bonus last year and $1.8 million in overall compensation. The median compensation for the top 100 executives surveyed was $4.5 million. While impressive amounts, these were hardly out of line with what people were earning in the highest paid jobs in other occupations *(see p. 158)*.

But one thing that confuses people is the tremendous range in chief executives' salaries. Measured by profits, Philip Morris Cos. is the third most profitable company in the Forbes 500s universe *(Apr. 27)*, but its chief executive, Michael A. Miles, earned $1.8 million last year, which ranks him 196 among 800 executives. Miles, a ten-year Philip Morris veteran, has been in the executive suite for only one year. Martin J. Wygod, the head of Medco Containment, is the second highest paid chief executive, with total compensation of $34.6 million. Yet all but $563,000 of Wygod's paycheck came from stock gains. Should more chief executive compensation be tied to stock gains? For a discussion of this, see page 174.

In the table below, "Salary + bonus" includes all cash and deferred salary and bonus payments in the last fiscal

Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Abbott Laboratories/Duane L Burnham	59	50	Excelsior MN	Minnesota, BS '63/MBA '72	finance	10	2
Advanced Micro/Walter J Sanders III[1]	171	55	Chicago IL	Illinois, BSEE '58	technical	23	23
AES/Roger W Sant[1]	496	61	Los Angeles CA	Brigham Young, BS '55/Harvard, MBA '60	administration	11	11
Aetna Life & Cas/Ronald E Compton	485	59	Chicago IL	Northwestern, BA '54	insurance	38	–[2]
Affiliated Bkshs Colo/Ronald L Moore	779	59	Grand Island NE	Denver, BS '54	banking	–[2]	–[2]
Aflac/Daniel P Amos	115	40	Pensacola FL	Georgia, BS '73	insurance	19	2
HF Ahmanson/Richard H Deihl	265	63	Whittier CA	Whittier, BA '49	banking	33	8
Air Prods & Chems/Harold A Wagner	664	56	Oakland CA	Stanford, BSME '58/Harvard, MBA '63	technical	29	–[2]
Albertson's/Gary G Michael	135	51	Laurel MT	Idaho, BS '62	finance	26	1
Alco Standard/Ray B Mundt	210	63	Appleton WI	Wis Stevens, BS '53	operations	22	12
Alexander & Alexander/Tinsley H Irvin	593	58	Cornelia GA	Georgia St, BBA '55	insurance	39	5
Alexander & Baldwin/John C Couch	447	53	Bremerton WA	Michigan, BS '63/Stanford, MBA '76	operations	16	–[2]
Alleghany/Fred M Kirby	183	72	Wilkes Barre PA	Lafayette, AB '42/Harvard, MBA '47	finance	34	25
Allegheny Power/Klaus Bergman	661	61	Germany	Columbia, AB '53/LLB '55	legal	20	7
Allergan/William C Shepherd	526	53	San Francisco CA	Calif Berkeley, BS '63/Pepperdine, MBA '76	technical	26	–[2]
Allied-Signal/Lawrence A Bossidy	169	57	Pittsfield MA	Colgate, BA '57	operations	1	1
Alltel/Joe T Ford	439	54	Conway AR	Arkansas, BS '59	administration	33	5
Alcoa/Paul H O'Neill	316	56	St Louis MO	Cal St Fresno, BA '60/Indiana, MPA '66	administration	5	5
ALZA/Martin S Gerstel	701	50	Norwalk CT	Yale, BS '64/Stanford, MBA '68	finance	24	5
AMAX/Allen Born	194	58	Durango CO	Texas El Paso, BS '58	technical	25	6
Amdahl/John C Lewis	420	56	Livingston MT	Cal St Fresno, BS '57	marketing	15	9
Amerada Hess/Leon Hess[1]	762	78	Asbury Park NJ		administration	46	27
American Brands/William J Alley	154	62	Vernon TX	Oklahoma, BBA '51/JD '54	insurance	25	5
American Cyanamid/George J Sella Jr	131	63	West New York NJ	Princeton, BS '50/Harvard, MBA '52	operations	38	9
American Electric/Richard E Disbrow	581	61	Newark NJ	Lehigh, BS '52/MIT, MS '65	technical	38	1
American Express/James D Robinson III	195	56	Atlanta GA	Georgia Tech, BS '57/Harvard, MBA '61	finance	21	15

[1]Company founder. [2]New CEO, less than six months' service.

their bosses

year, as well as directors' fees and commissions. The "Other" column includes payments made under long-term compensation plans, thrift plan contributions, company paid health and insurance plans and restricted stock awards vested or released from restrictions in 1991. Where possible, we credit restricted stock to earnings only when it becomes vested. That's why our tables list Coca-Cola's Roberto C. Goizueta with $5 million in total compensation, not the $86 million reported elsewhere. To credit Goizueta with the full value of his stock award is to equate a bird in the bush with a bird in the hand.

"Stock gains" shows the net value in shares or cash realized from the exercise of stock options (or stock appreciation rights) during the past fiscal year. The column headed "Stock owned" shows the value of each executive's holdings as a percentage of his firm's total market value. In determining stock holdings we exclude shares acquirable through options—where we can identify optionable shares—but include shares of beneficial interest and shares held by an executive's wife and minor children, even if ownership is legally disclaimed. Shares held by family members active in the business or by foundations are not included.

What are they like, these people who run our largest businesses? Although Bill Gates of Microsoft is a multibillionaire at the tender age of 36, only five other chief executives are younger than 40. The average corporate head in this survey is 56 and he—there is only one woman, a co-CEO—has been with the firm for 22 years. Almost half have postgraduate diplomas. Of the 800 companies, 68 are run by founders or cofounders—a tribute to the continuing power of entrepreneurship in corporate America. ■

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$1,340	15%	$6	$2,867	$4,213	$8,363[3]	0.04%	$11.0	$6,877	$1,089	Abbott Laboratories
1,529	135	419	—	1,948	11,287	0.55	7.6	1,227	145	Advanced Micro
681	33	—	102	784	NA	19.22	283.2	334	43	AES
779	NA	30	—	809[9]	NA	—[6]	0.4	19,196	505	Aetna Life & Cas
234	NA	13	—	247[9]	NA	0.24	0.8	269	18	Affiliated Bkshs Colo
1,131	38	352	1,265	2,748	NA	0.75	15.8	3,283	149	Aflac
1,214	–1	205	—	1,419	9,062	0.28	5.7	4,592	246	HF Ahmanson
494	NA	10	—	503[9]	NA	0.02	1.1	2,967	253	Air Prods & Chems
701	1	37	1,710	2,448	NA	0.11	6.2	8,680	258	Albertson's
743	–29	22	927	1,691	6,778	0.48	8.5	4,805	71	Alco Standard
596	–27	10	—	606	3,142	0.14	1.0	1,369	–10	Alexander & Alexander
777	NA	140	—	917[9]	NA	0.22	2.4	721	92	Alexander & Baldwin
991	2	856	—	1,846	9,280	12.92	103.6	1,417	64	Alleghany
505	8	4	—	510	2,064	—[6]	0.2	2,282	194	Allegheny Power
713	NA	8	8	729[9]	NA	0.10	1.5	839	–60	Allergan
1,300[2]	NA	674	—	1,974	NA	—[6]	—[7]	11,831	–273	Allied-Signal
677	–10	44	208	929	3,983	0.29	9.7	1,748	189	Alltel
562	–32	658	—	1,220	5,894[4]	—[6]	—[7]	9,884	63	Alcoa
446	25	—	—	446	3,801	0.29	9.1	140	–62	ALZA
900	–23	524	368	1,792	7,924	0.04	0.7	3,772	30	AMAX
637	–38	327	—	964	10,657	0.09	1.7	1,702	4	Amdahl
300	0	11	—	311	1,457	11.11	360.2	6,267	84	Amerada Hess
1,826	12	201	89	2,116	8,953	0.04	3.4	8,379	806	American Brands
1,309	6	619	548	2,477	10,862	0.04	2.3	4,986	359	American Cyanamid
618	NA	7	—	625	NA	—[6]	0.4	5,047	498	American Electric
1,625	–10	156	—	1,781	22,007	0.12	12.7	25,763	789	American Express

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 27, 1992. [2]Annualized salary. [3]Three-year total. [4]Four-year total. [6]Less than 0.01%. [7]Less than $100,000. [9]New CEO; cash compensation is for another executive office. NA: Not available.

Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
American General/Harold S Hook	67	60	Kansas City MO	Missouri, BS '53/MA '54	insurance	22	14
American Greetings/Morry Weiss	350	52	Czechoslovakia	Case Western Res, BA '61	administration	31	4
American Home Prods/John R Stafford	29	54	Harrisburg PA	Dickinson, BA '59/George Washington, LLB '62	legal	22	5
American Intl Group/Maurice R Greenberg	170	67	New York NY	Miami, BA '48/New York Law Sch, LLB '50	insurance	31	25
American Medical/Robert W O'Leary	334	48	New Bedford MA	Massachusetts, BS '65/Suffolk U, JD '73	administration	1	1
American Natl Ins/Robert L Moody	191	56	Galveston TX		insurance	10	1
American President/John M Lillie	301	55	Chicago IL	Stanford, BS '59/MBA '64	operations	2	-[2]
American Savings/W Ronald Dietz	740	49	Seattle WA	Washington, BA '64/Stanford, MBA '68	banking	1	1
American Stores/Jonathan L Scott*	230	62	Nampa ID	Idaho, BA '51	sales	5	3
American Tel & Tel/Robert E Allen	108	57	Joplin MO	Wabash, BA '57	administration	35	4
American Water Works/George W Johnstone	774	53	Buffalo NY	Penn St, BS '60	technical	26	-[2]
Ameritech/William L Weiss	145	63	Big Run PA	Penn St, BS '51	operations	41	8
Ames Dept Stores/Stephen L Pistner	208	60	St Paul MN	Minnesota, BSBA '53	sales	2	2
Amgen/Gordon M Binder	641	56	St Louis MO	Purdue, BSEE '57/Harvard, MBA '62	finance	10	4
Amoco/H Laurance Fuller	226	53	Moline IL	Cornell, BSCE '61/DePaul, JD '65	technical	31	1
AMP/Harold A McInnes	587	64	Groton CT	MIT, BSME '49	operations	27	2
AMR/Robert L Crandall	68	56	Westerly RI	Rhode Island, BS '57/Pennsylvania, MBA '60	finance	19	7
AmSouth Bancorp/John W Woods	402	60	Evanston IL	U of the South, BA '54	banking	23	20
Anchor Bancorp/James M Large Jr	617	60	Philadelphia PA	Princeton, BSE '54	banking	3	3
Anheuser-Busch Cos/August A Busch III	22	54	St Louis MO		marketing	35	17
Aon/Patrick G Ryan	422	55	Milwaukee WI	Northwestern, BS '59	insurance	28	10
Apple Computer/John Sculley	285	53	New York NY	Brown, BS '61/Pennsylvania, MBA '63	marketing	9	9
Archer Daniels/Dwayne O Andreas	166	74	Worthington MN		finance	22	22
Argonaut Group/Charles E Rinsch	541	59	Vincennes IN	Indiana, BS '53/Stanford, MBA '60	finance	26	4
Arkla/Thomas F McLarty III	615	45	Hope AR	Arkansas, BA '69	administration	9	7
Armco/Robert L Purdum	547	56	Wilmington OH [1]	Purdue, BS '56	technical	30	2
Armstrong World Inds/William W Adams	672	58	Dubuque IA	Iowa St, BS '56	marketing	36	4
Arvin Industries/James K Baker	670	60	Wabash IN	DePauw, BA '53/Harvard, MBA '58	administration	37	11
Asarco/Richard de J Osborne	474	58	Bronxville NY	Princeton, AB '56	finance	17	6
Ashland Oil/John R Hall	335	59	Dallas TX	Vanderbilt, BS '55	operations	34	11
AST Research/Safi U Qureshey[1]	80	40	Pakistan	Texas, BSEE '75	technical	12	4
Atlanta Gas Light/David R Jones	733	55	Atlanta GA	Georgia Tech, BS '59	operations	32	4
Atlantic Energy/E Douglas Huggard	708	58	Wilmington DE	Delaware, BME '55/MME '60	technical	37	7
Atlantic Richfield/Lodwrick M Cook	73	63	Castor LA	Louisiana St, BS '50/Southern Methodist, MBA '65	operations	36	7
Automatic Data/Josh S Weston	332	63	Brooklyn NY	CUNY City, BS '50/U of New Zealand, MA '52	operations	22	9
AutoZone/Joseph R Hyde III[1]	427	49	Memphis TN	N Carolina, BS '65	sales	13	13
Avery Dennison/Charles D Miller	225	64	Hartford CT	Johns Hopkins, BA '49	operations	28	14
Avnet/Leon Machiz	369	67	Brooklyn NY		marketing	40	3
Avon Products/James E Preston	16	59	Cleveland OH	Northwestern, BS '55	marketing	28	3
Baker Hughes/James D Woods	294	60	Falmouth KY	Cal St Fullerton, BA '66	finance	37	5
Ball Corp/Delmont A Davis	480	56	Hillside CO	Colorado, BS '59	technical	23	1
Bally Manufacturing/Arthur M Goldberg	298	50	Newton NJ	Rutgers, BA '63/Villanova, JD '66	legal	2	2
Baltimore Bancorp/Charles H Whittum Jr	—	62	NA		banking	1	1

[1]Company founder. [2]New CEO, less than six months' service. *Office jointly held with Victor L Lund.

Compensation						Stock owned		Company data[1]		Company
Salary ($000)	+ bonus % change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$1,766	32%	$307	$1,883	$3,956	$10,915	0.16%	$7.4	$4,395	$480	American General
541	-3	569	—	1,110	3,281	1.38	19.7	1,513	93	American Greetings
1,840	8	28	3,790	5,658	14,389	0.03	8.1	7,079	1,375	American Home Prods
1,950	11	—	—	1,950	9,774	2.14	384.1	16,884	1,553	American Intl Group
750[2]	NA	400	—	1,150	NA	0.05	0.4	2,449	4	American Medical
1,801	NA	—	—	1,801	NA	1.32	12.5	1,197	126	American Natl Ins
896	NA	389	—	1,286[9]	NA	0.04	0.2	2,449	64	American President
375[2]	NA	—	—	375	NA	—[6]	—[7]	301	-160	American Savings
1,487	38	116	—	1,604[8]	4,195[4]	—[6]	0.1	20,823	240	American Stores
2,061	2	777	97	2,935	11,266	0.01	5.7	63,089	522	American Tel & Tel
275	NA	5	—	280[9]	NA	0.02	0.1	633	74	American Water Works
1,270	-2	824	133	2,227	9,887	0.04	5.9	10,818	1,166	Ameritech
1,599	31	100	—	1,699	NA	—[6]	—[7]	3,091	-317	Ames Dept Stores
530	27	—	—	530	2,023[3]	0.24	17.6	682	98	Amgen
1,302	14	314	—	1,616	NA	0.02	3.7	25,325	1,173	Amoco
618	7	—	—	618	1,764[3]	0.02	1.3	3,095	260	AMP
600	0	3,250	97	3,947	18,068	0.03	1.3	12,887	-240	AMR
844	3	155	4	1,003	3,670	0.20	2.2	900	80	AmSouth Bancorp
556	6	14	—	570	NA	0.21	0.2	804	49	Anchor Bancorp
1,879	8	27	4,776	6,682	31,008	0.45	68.3	10,996	940	Anheuser-Busch Cos
893	-2	71	—	963	4,012	13.91	384.8	2,931	242	Aon
1,338	39	—	—	1,338	31,951	0.11	7.5	6,496	325	Apple Computer
2,000	3	—	—	2,000	7,580	2.86	214.9	8,801	499	Archer Daniels
513	7	2	186	701	2,142[4]	0.22	1.6	517	84	Argonaut Group
487	-7	87	—	574	3,791	0.07	0.7	2,779	13	Arkla
654	4	38	—	692	2,304[3]	0.14	0.7	1,595	-337	Armco
468	-25	3	24	494	2,833	0.06	0.7	2,439	48	Armstrong World Inds
489	-16	7	—	495	3,371	0.82	3.8	1,676	23	Arvin Industries
851	-23	7	—	858	5,219	0.12	1.3	1,910	46	Asarco
1,038	-6	108	—	1,146	10,053	0.08	1.5	9,135	186	Ashland Oil
2,792	266	773	—	3,565	5,151[4]	10.30	53.6	827	70	AST Research
389	2	9	—	397	1,418[4]	0.06	0.5	969	47	Atlanta Gas Light
422	16	11	—	432	1,755	0.06	0.7	778	86	Atlantic Energy
1,674	-26	159	2,009	3,842	14,686	0.04	6.3	17,037	709	Atlantic Richfield
879	13	278	—	1,157	7,705	0.17	11.0	1,811	239	Automatic Data
959	33	—	—	959	NA	11.22	274.4	868	49	AutoZone
1,065	12	61	501	1,627	8,341	0.21	3.4	2,545	63	Avery Dennison
1,064	-7	—	—	1,064	4,038[4]	0.18	1.6	1,694	51	Avnet
1,193	0	4,479	2,231	7,902	12,017[4]	0.25	9.0	3,593	136	Avon Products
869	-28	440	—	1,309	6,240	0.12	3.1	2,747	162	Baker Hughes
815	—	1	22	838	NA	0.06	0.5	2,267	66	Ball Corp
1,300[2]	NA	—	—	1,300	NA	4.26	8.7	1,412	-35	Bally Manufacturing
NA	NA	—	—	—	NA	—[6]	—[7]	313	-127	Baltimore Bancorp

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 27, 1992. [2]Annualized salary. [3]Three-year total. [4]Four-year total. [6]Less than 0.01%. [7]Less than $100,000. [8]Prior-year data. [9]New CEO; cash compensation is for another executive office. NA: Not available.

Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Baltimore G&E/George V McGowan	658	64	Baltimore MD	Maryland, BS '51	technical	41	4
Banc One/John B McCoy	180	48	Columbus OH	Williams, BA '65/Stanford, MBA '67	banking	25	8
Bancorp Hawaii/H Howard Stephenson	252	62	Wichita KS	Michigan, BA '50/Missouri, JD '58	banking	33	3
Bandag/Martin G Carver	756	44	Davenport IA	U of Iowa, BA '70/Indiana, MBA '72	finance	13	10
Bank of Boston/Ira Stepanian	556	56	Cambridge MA	Tufts, BA '58/Boston C, MBA '71	banking	29	5
Bank of New York/John Carter Bacot	453	59	Utica NY	Hamilton, AB '55/Cornell, LLB '58	finance	32	10
Bank South/Patrick L Flinn	663	50	Washington DC	Illinois, BA '64/Georgia St, MBA '72	banking	1	1
BankAmerica/Richard M Rosenberg	64	62	Fall River MA	Suffolk U, BS '52/Golden Gate U, LLB '66	banking	6	2
Bankers Trust NY/Charles S Sanford Jr	101	55	Savannah GA	Georgia, BA '58/Pennsylvania, MBA '60	banking	31	5
BanPonce/Alberto M Paracchini	737	60	Ponce PR	Pennsylvania, BS '53/MBA '57	finance	36	9
CR Bard/George T Maloney	409	59	Philadelphia PA	Siena, BS '54	sales	33	3
Barnett Banks/Charles E Rice	348	56	Chattanooga TN	Miami, BBA '58/Rollins, MBA '64	banking	27	13
Bausch & Lomb/Daniel E Gill	30	55	Ziegler IL	Northwestern, BS '58	finance	13	11
Baxter International/Vernon R Loucks Jr	54	57	Evanston IL	Yale, BA '57/Harvard, MBA '63	marketing	26	12
Bay View Capital/Robert E Barnes	769	59	Greenwich CT	Princeton, BA '55/American Grad School, MBA '61	banking	8	8
BayBanks/William M Crozier Jr	695	59	Brooklyn NY	Yale, BA '54/Harvard, MBA '63	banking	28	18
BB&T Financial/John A Allison IV	621	43	Charlotte NC	N Carolina, BBA '71/Duke, MBA '74	banking	21	3
Bear Stearns Cos/Alan C Greenberg	32	64	Wichita KS	Missouri, BA '49	sales	43	14
Becton Dickinson/Raymond V Gilmartin	381	51	Washington DC	Union, BSEE '63/Harvard, MBA '68	operations	16	3
Bell Atlantic/Raymond W Smith	114	54	Pittsburgh PA	Carnegie-Mellon, BS '59/Pittsburgh, MBA '67	operations	33	3
BellSouth/John L Clendenin	268	58	El Paso TX	Northwestern, BA '55	operations	37	8
Beneficial Corp/Finn M W Caspersen	236	50	New York NY	Brown, AB '63/Harvard, LLB '66	legal	20	16
Bergen Brunswig/Robert E Martini	555	60	Hackensack NJ	Ohio St, BS '54	technical	36	2
Berkshire Hathaway/Warren E Buffett	787	61	Omaha NE	Nebr Lincoln, BS '50/Columbia, MBA '51	finance	27	22
Bethlehem Steel/Walter F Williams	570	63	Upland PA	Delaware, BCE '51	operations	41	6
Betz Laboratories/John F McCaughan	362	56	Canada	Sir George Williams, BA '57	administration	32	10
Beverly Enterprises/David R Banks	328	55	Arcadia WI	Arkansas, BA '59	operations	20	3
BHC Commun/Herbert J Siegel	163	64	Philadelphia PA	Lehigh, BA '50	administration	25	15
Bindley Western Inds/William E Bindley[1]	665	51	Terre Haute IN	Purdue, BS '61	finance	25	25
Biomet/Dane A Miller[1]	764	46	Bellefontaine OH	GMI Inst, BS '69/Cincinnati, PhD '74	technical	14	14
Black & Decker/Nolan D Archibald	212	48	Ogden UT	Weber St, BS '68/Harvard, MBA '70	marketing	7	6
H&R Block/Henry W Bloch[1]	155	69	Kansas City MO	Michigan, BS '43	administration	37	37
Blockbuster/H Wayne Huizenga	727	54	Evergreen Park IL		operations	5	5
BMC Software/Max P Watson Jr	162	46	New Orleans LA	Louisiana Tech, BBA '68	marketing	7	2
Boatmen's Bancshs/Andrew B Craig III	370	61	Buffalo NY	Cornell, BA '55	banking	7	4
Boeing/Frank A Shrontz	312	60	Boise ID	Idaho, LLB '54/Harvard, MBA '58	administration	34	6
Boise Cascade/John B Fery	562	62	Bellingham WA	Washington, BA '53/Stanford, MBA '55	operations	35	20
Borden/Anthony S D'Amato	349	61	Brooklyn NY	Polytechnic Inst, BSChE '52	administration	32	1
Borland Intl/Philippe R Kahn[1]	220	39	France	U of Zurich, U of Nice, MS '78	technical	9	9
Boston Edison/Bernard W Reznicek	520	55	Dodge NE	Creighton, BS '58/Nebr Lincoln, MBA '79	operations	5	1
Bowater/Anthony P Gammie	576	57	England		operations	37	9
Bristol-Myers Squibb/Richard L Gelb	8	67	New York NY	Yale, BA '45/Harvard, MBA '50	administration	42	20
Broad/Eli Broad[1]	372	58	New York NY	Michigan St, BA '54	finance	35	16

[1]Company founder.

Compensation						Stock owned		Company data[1]		Company
Salary ($000)	+ bonus % change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$458	8%	$53	—	$511	$2,313	0.09%	$2.5	$2,459	$234	Baltimore G&E
1,783	43	—	$99	1,882	6,417	0.18	15.2	4,097	530	Banc One
920	8	324	233	1,476	5,638[4]	0.30	3.5	1,023	113	Bancorp Hawaii
316	–9	20	—	335	1,580	5.02	92.1	583	80	Bandag
650	0	26	—	676	4,820	0.09	1.4	4,547	–34	Bank of Boston
810	–7	95	—	905	5,899	0.21	6.2	4,225	122	Bank of New York
455[2]	NA	50	—	505	NA	—[6]	—[7]	508	–55	Bank South
1,600	0	66	2,350	4,016	6,964[3]	0.03	2.8	12,268	1,124	BankAmerica
1,850	23	144	1,048	3,042	11,562	0.23	11.0	6,844	667	Bankers Trust NY
383	20	—	—	383	3,961	0.12	0.9	927	65	BanPonce
810	77	188	—	998	3,450[4]	0.25	3.6	876	57	CR Bard
980	6	137	—	1,117	5,490	0.08	2.0	3,274	124	Barnett Banks
1,542	15	1,155	2,847	5,544	15,059	0.21	5.9	1,520	86	Bausch & Lomb
1,786	2	1,237	1,344	4,366	12,542	0.15	15.7	8,921	591	Baxter International
285	–22	13	—	299	1,705	0.06	—[7]	282	10	Bay View Capital
381	0	81	—	462	2,732	0.46	2.5	1,021	10	BayBanks
548	12	13	6	567	1,474[3]	0.14	1.0	594	60	BB&T Financial
5,299	26	—	—	5,299	22,200	3.05	53.2	2,527	233	Bear Stearns Cos
757	4	287	—	1,044	4,922[4]	0.06	1.6	2,191	182	Becton Dickinson
1,453	13	1,322	—	2,776	8,820[4]	0.02	3.7	12,280	1,332	Bell Atlantic
1,356	–1	47	—	1,403	7,770	—[6]	1.8	14,446	1,507	BellSouth
1,367	5	209	—	1,576	6,513	2.94	46.4	1,810	149	Beneficial Corp
621	–26	55	—	676	NA	5.57	44.2	4,863	56	Bergen Brunswig
100	0	—	—	100	501	44.68	4,582.4	3,106	440	Berkshire Hathaway
590	–13	64	—	654	4,189	0.08	0.8	4,318	–767	Bethlehem Steel
690	21	262	129	1,082	3,305	0.26	4.1	666	76	Betz Laboratories
588	5	590	—	1,178	2,931[4]	0.34	2.1	2,301	29	Beverly Enterprises
2,014	–76	21	—	2,035*	24,108[3]	—[6]†	—[7]	263	108	BHC Commun
502	–12	—	—	502	2,432	44.76	45.0	2,393	11	Bindley Western Inds
310	46	—	—	310	983	4.94	101.5	260	49	Biomet
1,336	3	343	—	1,679	7,727	0.04	0.6	4,637	53	Black & Decker
790	–5	42	1,283	2,115	5,457	5.94	199.5	1,128	151	H&R Block
400	0	—	—	400	NA	6.93	182.1	868	94	Blockbuster
707	NA	1,331	—	2,038	NA	0.74	10.9	174	42	BMC Software
1,063	8	—	—	1,063	3,408[4]	0.03	0.5	1,588	150	Boatmen's Bancshs
1,188	9	40	—	1,228	6,342	—[6]	0.8	29,314	1,567	Boeing
625	–10	43	—	669	4,446	0.27	2.3	3,950	–80	Boise Cascade
975	NA	141	—[8]	1,116[9]	NA	0.04	2.2	7,235	295	Borden
1,630	145	2	—	1,632	2,768[3]	6.91	50.6	502	–81	Borland Intl
692	—	52	—	744	NA	0.01	0.1	1,320	95	Boston Edison
620	–1	22	—	642	3,928	0.07	0.6	1,289	46	Bowater
2,051	–2	1,516	9,221	12,788	36,639	0.27	101.5	11,159	2,056	Bristol-Myers Squibb
1,005	18	55	—	1,060	8,318	21.33	114.2	809	47	Broad

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 27, 1992. [2]Annualized salary. [3]Three-year total. [4]Four-year total. [6]Less than 0.01%. [7]Less than $100,000. [8]New CEO; cash compensation is for another executive office. NA: Not available. *Salary paid by Chris-Craft Inds. †Indirect ownership through Chris-Craft Inds.

Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Brooklyn Union Gas/Robert B Catell	761	55	Brooklyn NY	CUNY City, BSME '58/MME '64	technical	34	1
Brown-Forman/W L Lyons Brown Jr	329	55	Louisville KY	Virginia, BA '58	marketing	32	16
Brown Group/Bernard A Bridgewater Jr	487	58	Tulsa OK	Westminster, AB '55/Harvard, MBA '64	administration	13	10
Browning-Ferris Inds/William D Ruckelshaus	483	59	Indianapolis IN	Princeton, BA '57/Harvard, LLB '60	legal	5	4
Bruno's/Ronald G Bruno	674	40	Birmingham AL	Alabama, BS '74	operations	19	2
Brunswick/Jack F Reichert	361	61	West Allis WI		marketing	35	10
Burlington Northern/Gerald Grinstein	255	59	Seattle WA	Yale, BA '54/Harvard, LLB '57	legal	5	3
Burlington Resources/Thomas H O'Leary	190	58	New York NY	Holy Cross, BA '54/Pennsylvania, MBA '61	finance	10	3
Cabletron Systems/S Robert Levine[1]	359	34	Worcester MA	Miami, BS '80	sales	9	9
Cabot/Samuel W Bodman	630	53	Chicago IL	Cornell, BS '61/MIT, PhD '64	finance	5	4
Caesars World/Henry Gluck	227	64	Germany	Pennsylvania, BS '50	finance	10	9
Caldor/Don R Clarke	44	46	Rexburg ID	Brigham Young, BS '70/Washington St, MBA '71	administration	6	6
CalFed/Jerry St Dennis	713	49	Tacoma WA	UCLA, BA '65/MA '67	finance	11	2
Campbell Soup/David W Johnson	259	59	Australia	U of Sydney, BE '54/Chicago, MBA '58	marketing	2	2
Capital Cities/ABC/Daniel B Burke	69	63	Albany NY	Vermont, AB '50/Harvard, MBA '55	operations	31	2
Capital Holding/Irving W Bailey II	272	50	Cambridge MA	Colorado, BA '63/NYU, MBA '68	finance	11	4
Carnival Cruise Lines/Micky Arison	559	42	Israel		administration	18	13
Carolina Power & Lt/Sherwood H Smith Jr	599	57	Jacksonville FL	N Carolina, AB '56/JD '60	legal	27	13
Carter Hawley Hale/Philip M Hawley	513	66	Portland OR	Calif Berkeley, BS '47	sales	34	15
Carter-Wallace/Henry H Hoyt Jr	26	64	Orange NJ	Princeton, AB '50	administration	42	18
Caterpillar/Donald V Fites	627	58	Tippecanoe IN	Valparaiso, BS '56/MIT, MS '71	marketing	36	2
CBI Industries/John E Jones	521	57	Kansas City MO	Carleton, BA '56	banking	12	3
CBS/Laurence A Tisch	248	69	Brooklyn NY	NYU, BS '42/Pennsylvania, MA '43	finance	6	5
Centel/John P Frazee Jr	90	47	Staunton VA	Randolph-Macon, BA '66	operations	20	5
Centerior Energy/Robert J Farling	760	56	Warren OH	Case Western Res, BSEE '58/MBA '65	technical	33	–[2]
Centex/Laurence E Hirsch	532	46	New York NY	Pennsylvania, BS '68/Villanova, JD '71	legal	7	4
Central & So West/E R Brooks	622	54	Slaton TX	Texas Tech, BSEE '61	technical	31	1
Central Bancshares/D Paul Jones Jr	418	49	Birmingham AL	Alabama, BS '64/NYU, JD '67	legal	14	1
Central Fidelity Bks/Carroll L Saine	469	57	Lincolnton NC	Lenoir-Rhyne, BA '54/Richmond, MS '65	banking	35	11
Champion Intl/Andrew C Sigler	296	60	Brooklyn NY	Dartmouth, AB '53/MBA '56	sales	36	18
Charming Shoppes/David V Wachs[1]	694	66	Philadelphia PA	U of Penn Wharton, '48	administration	42	4
Chase Manhattan/Thomas G Labrecque	326	53	Long Branch NJ	Villanova, BA '60	banking	28	2
Chemical Banking/John F McGillicuddy	148	61	Harrison NY	Princeton, BA '52/Harvard, LLB '55	banking	33	13
Chevron/Kenneth T Derr	193	55	Wilkes-Barre PA	Cornell, BSME '59/MBA '60	technical	32	3
Chiquita Brands Intl/Carl H Lindner	727	73	Dayton OH		finance	8	8
Chrysler/Lee A Iacocca	357	67	Allentown PA	Lehigh, BS '45/Princeton, ME '46	operations	14	13
Chubb/Dean R O'Hare	129	49	Jersey City NJ	NYU, BS '63/Pace, MBA '68	insurance	29	4
Cigna/Wilson H Taylor	215	48	Hartford CT	Trinity College CT, BS '64	insurance	28	4
Cincinnati Financial/Robert B Morgan	503	58	Yerkes KY	Eastern Kentucky, BA '54	insurance	26	1
Cincinnati G&E/Jackson H Randolph	685	61	Cincinnati OH	Cincinnati, BBA '58/MBA '68	finance	33	6
Cipsco/Clifford L Greenwalt	767	59	Solano NM	Missouri, BSCE '60/Illinois, MBA '77	technical	29	3
Circle K/Bart A Brown Jr	649	60	Louisville KY	Louisville, LLB '55/Georgetown, LLM '57	legal	1	1
Circuit City Stores/Richard L Sharp	568	45	Washington DC		technical	9	6

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$324	NA	—	—	$324	NA	0.03%	$0.2	$1,005	$66	Brooklyn Union Gas
764	59%	$409	—	1,174	$5,323	34.53	710.4	1,203	142	Brown-Forman
800	35	7	—	807[8]	3,676	0.48	2.0	1,728	16	Brown Group
806	0	4	—	810	3,046[3]	0.02	0.6	3,183	45	Browning-Ferris Inds
310	—	182	—	492	NA	0.45	5.8	2,658	64	Bruno's
736	–34	346	—	1,082	13,116	0.62	9.3	2,088	–24	Brunswick
1,180	–8	282	—	1,462	6,634[4]	0.28	11.0	4,559	–306	Burlington Northern
1,170	0	632	—	1,802	7,739[4]	0.07	3.3	1,754	205	Burlington Resources
1,091	0	—	—	1,091	NA	29.28	432.5	263	52	Cabletron Systems
500	–23	46	—	546	4,151	1.16	9.4	1,467	121	Cabot
1,133	15	483	—	1,616	12,322	0.94	7.7	951	78	Caesars World
820	6	3,843	—	4,663	NA	1.33	2.7	1,868	6	Caldor
404	2	16	—	420	1,341[3]	0.04	—[7]	1,716	–139	CalFed
1,444	147	10	—	1,455	NA	0.12	10.4	6,132	451	Campbell Soup
961	–7	2,973	—	3,933	NA	0.25	18.5	5,382	375	Capital Cities/ABC
1,258	10	126	—	1,384	7,139	0.14	3.5	2,671	250	Capital Holding
670	–3	—	—	670	3,093	1.30	52.5	1,405	85	Carnival Cruise Lines
578	–19	19	—	597	2,455	0.03	1.4	2,686	377	Carolina Power & Lt
750[2]	–27	—	—	750	4,223	1.73	1.0	2,187	–133	Carter Hawley Hale
1,276	10	4,831	—	6,107	9,970	0.14*	1.8	669	46	Carter-Wallace
523	–6	31	—	553	NA	0.02	0.9	10,182	–404	Caterpillar
744	4	—	—	744	2,475[4]	0.20	2.7	1,615	61	CBI Industries
1,383	2	123	—	1,505	6,774	—[6]	—[7]	3,035	–86	CBS
1,067	15	963	$1,367	3,397	7,324	0.08	2.7	1,181	162	Centel
297	NA	13	15	326[9]	NA	—[6]	0.2	2,569	237	Centerior Energy
693	8	21	—	713	2,446[4]	—[6]	—[7]	2,155	29	Centex
497	—	68	—	565	NA	0.02	1.1	3,047	375	Central & So West
665	—	11	300	975	NA	0.78	5.2	572	59	Central Bancshares
678	21	20	169	867	2,905	0.27	2.1	639	60	Central Fidelity Bks
1,144	–8	158	—	1,302	9,926	0.10	2.5	4,789	40	Champion Intl
450	13	14	—	464[8]	1,204[3]	3.50	51.0	1,021	58	Charming Shoppes
1,180	73	—	—	1,180	NA	0.04	1.6	11,840	520	Chase Manhattan
2,050	133	151	—	2,201	7,537	0.06	4.9	14,145	154	Chemical Banking
1,386	2	409	—	1,794	5,603[4]	0.03	6.7	36,461	1,293	Chevron
400	0	—	—	400	2,300	—[6†]	—[7]	4,627	129	Chiquita Brands Intl
976	–14	117	—	1,094	30,179	0.18	10.1	29,370	–538	Chrysler
1,245	8	983	278	2,507	6,834[4]	0.04	2.5	4,513	552	Chubb
1,342	5	304	—	1,646	5,763[4]	0.07	2.4	18,750	453	Cigna
717	—	—	56	774	NA	0.48	10.4	1,161	146	Cincinnati Financial
475	8	5	—	480	1,906	0.02	0.4	1,518	207	Cincinnati G&E
302	10	—	—	302	NA	0.03	0.2	722	72	Cipsco
500[2]	NA	20	—	520	NA	—[6]	—[7]	3,011	–251	Circle K
656	–16	—	—	656	6,564	1.64	26.7	2,616	61	Circuit City Stores

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Circus Circus/William G Bennett[1]	429	67	Phoenix AZ		operations	18	18
Cisco Systems/John P Morgridge	772	58	Elmhurst IL	Wisconsin, BBA '55/Stanford, MBA '57	sales	4	4
Citadel Holding/William C Walbrecher Jr	669	52	Baltimore MD	U of Hawaii, BS '62/Pennsylvania, MBA '78	banking	3	3
Citicorp/John S Reed	283	53	Chicago IL	MIT, BS '61/MS '65	banking	27	8
Citizens First Bncp/Allan D Nichols	727	54	Ogdensburg NY	Emory, BBA '59	banking	–[2]	–[2]
Citizens Utilities/Leonard Tow	491	64	Brooklyn NY	CUNY Brooklyn, BA '50/Columbia, PhD '60	finance	2	2
City National/Bram Goldsmith	404	69	Chicago IL		finance	17	17
Clorox/Charles R Weaver	347	63	Kingman IN	Purdue, BS '50	marketing	39	7
CMS Energy/William T McCormick Jr	309	47	Washington DC	Cornell, BS '66/MIT, PhD '69	technical	7	7
Coast Savings Finl/Ray Martin	605	56	Nogales AZ		banking	33	8
Coastal Corp/James R Paul	187	57	Wichita KS	Wichita St, BS '56	finance	19	3
Coca-Cola/Roberto C Goizueta	46	60	Cuba	Yale, BS '53	technical	38	11
Coca-Cola Enterprise/Summerfield K Johnston Jr	513	59	Chattanooga TN		operations	13	–[2]
Colgate-Palmolive/Reuben Mark	182	53	Jersey City NJ	Middlebury, BA '60/Harvard, MBA '63	marketing	29	8
Colorado Natl Bkshs/Will F Nicholson Jr[1]	680	63	Colorado Spr CO	MIT, BS '50/Denver, MBA '56	banking	22	7
Columbia Gas System/John H Croom	591	53	Fayetteville NC	N Carolina St, BS '54	marketing	38	8
Comcast/Ralph J Roberts[1]	86	72	New York NY	Pennsylvania, BS '41	administration	30	29
Comdisco/Kenneth N Pontikes[1]	456	52	Chicago IL	Southern Illinois, BA '63	marketing	23	23
Comerica/Eugene A Miller	364	54	Detroit MI	Detroit Tech, BBA '64	banking	37	3
Commerce Bcshs/David W Kemper	379	41	Kansas City MO	Harvard, BA '72/Stanford, MBA '76	banking	14	6
Commercial Federal/William A Fitzgerald	747	54	Omaha NE	Creighton, BS '59	banking	37	17
Commonwealth Ed/James J O'Connor	509	55	Chicago IL	Holy Cross, BS '58/Georgetown, JD '63	administration	29	12
Compaq Computer/Eckhard Pfeiffer	188	50	Germany	Nurenberg Business, BA '63/SMU MBA '83	marketing	9	1
Computer Associates/Charles B Wang[1]	151	47	China	CUNY Queens, BS '67	technical	16	16
Computer Sciences/William R Hoover	466	62	Bingham Canyon UT	Utah, BS '53/MS '54	technical	28	20
ConAgra/Charles M Harper	11	64	Lansing MI	Purdue, BS '49/Chicago, MBA '50	administration	18	16
Conner Peripherals/Finis F Conner[1]	450	48	Gadsden AL	San Jose State U, BS '69	marketing	7	7
Conseco/Stephen C Hilbert[1]	121	46	Terre Haute IN		insurance	13	13
Consolidated Edison/Eugene R McGrath	490	50	New York NY	Manhattan, BSME '63/Iona, MBA '80	technical	29	2
Consol Freightways/Donald E Moffitt	582	60	Terre Haute IN		finance	37	1
Consol Natural Gas/George A Davidson Jr	500	53	Pittsburgh PA	Pittsburgh, BS '60	technical	26	5
Consolidated Papers/George W Mead	698	64	Milwaukee WI	Yale, BS '50/Inst Paper Chem, MS '52	operations	40	26
Consolidated Rail/James A Hagen	400	60	Forrest City IA	St Ambrose, BA '56/U of Iowa, MA '58	marketing	3	3
Continental Airlines/Robert R Ferguson III	751	43	Orange NJ	Lehigh, BS '72	finance	7	1
Continental Bank/Thomas C Theobald	607	55	Cincinnati OH	Holy Cross, AB '58/Harvard, MBA '60	banking	5	5
Continental Corp/John P Mascotte	531	53	Fort Wayne IN	St Joseph's, BA '61/Virginia, LLB '64	insurance	11	9
Control Data/Lawrence Perlman	443	54	St Paul MN	Carleton, BA '60/Harvard, JD '63	legal	12	2
Cooper Industries/Robert Cizik	25	61	Scranton PA	Connecticut, BA '53/Harvard, MBA '58	finance	31	17
Cooper Tire & Rubber/Ivan W Gorr	461	62	Toledo OH	U of Toledo, BS '51	finance	20	3
Adolph Coors/William K Coors	758	75	Golden CO	Princeton, BS '38/MSCE '39	technical	53	22
CoreStates Financial/Terrence A Larsen	323	45	Chicago IL	Dallas, BA '68/Texas A&M, PhD '71	finance	15	4
Corning/James R Houghton	205	56	Corning NY	Harvard, AB '58/MBA '62	administration	30	9
Costco Wholesale/James D Sinegal[1]	666	56	Pittsburgh PA	San Diego State, BA '59	sales	7	4

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$950[2]	-5%	—	—	$950	$3,983	7.07%	$169.0	$806	$103	Circus Circus
275	53	$17	—	292	NA	3.28	70.4	244	59	Cisco Systems
497	47	—	—	497	NA	—[6]	—[7]	533	3	Citadel Holding
1,219	1	126	—	1,345	7,625	0.16	10.8	31,839	-914	Citicorp
375[2]	NA	25	—	400	NA	—[6]	—[7]	236	3	Citizens First Bncp
800[2]	NA	—	—	800	NA	—[6†]	—[7]	548	112	Citizens Utilities
1,000	-3	—	—	1,000	10,733	15.74	66.6	437	-21	City National
870	8	249	—	1,118	8,684	0.21	5.3	1,679	62	Clorox
975	8	47	$231	1,253	5,187	0.12	1.4	2,941	-261	CMS Energy
593	-8	—	—	593	3,379	0.11	0.2	880	42	Coast Savings Finl
862	-6	46	913	1,822	5,230[3]	0.07	1.7	9,549	96	Coastal Corp
3,142	0	1,515	—	4,657	28,924	0.59	316.1	11,572	1,618	Coca-Cola
750[2]	NA	—	—	750	NA	7.51	127.9	4,051	-82	Coca-Cola Enterprises
1,748	12	102	—	1,849	13,743	0.12	8.9	6,060	125	Colgate-Palmolive
450	24	4	30	485	1,878	1.00	3.5	395	11	Colorado Natl Bkshs
589	-14	23	—	612	4,028	0.07	0.5	2,577	-795	Columbia Gas System
645	22	896	1,907	3,448[8]	9,929	9.26	166.3	721	-156	Comcast
896	-42	2	—	897	8,000	22.96	123.4	2,197	66	Comdisco
886	4	—	191	1,077	3,341[4]	0.14	2.6	1,401	153	Comerica
526	-3	5	520	1,050	2,977	1.33	9.3	594	60	Commerce Bcshs
297	0	67	—	364	2,149	1.95	1.5	542	42	Commercial Federal
671	11	85	—	756	2,836	—[6]	0.4	6,276	95	Commonwealth Ed
1,166	NA	648	—	1,814	NA	—[6]	—[7]	3,271	131	Compaq Computer
2,138	10	12	—	2,150	8,346	4.38	112.5	1,438	173	Computer Associates
870	14	4	—	874	6,157	0.92	10.1	1,945	66	Computer Sciences
2,463	52	5,228	2,101	9,792	25,791	1.09	65.4	20,459	364	ConAgra
885	-37	29	—	914	3,468	2.74	30.9	1,599	93	Conner Peripherals
2,150	-12	—	432	2,582[8]	8,422	3.07	19.9	1,392	121	Conseco
803	27	—	—	803	NA	—[6]	0.3	5,873	567	Consolidated Edison
623	NA	1	—	624	NA	—[6]	—[7]	4,082	-40	Consol Freightways
593	12	101	83	777	3,194	0.06	1.8	2,607	169	Consol Natural Gas
448	5	5	—	453	2,116	3.14	54.5	872	91	Consolidated Papers
1,007	26	—	—	1,007	NA	0.01	0.4	3,252	-207	Consolidated Rail
343	NA	—	—	343	NA	—[6]	—[7]	5,551	-306	Continental Airlines
583	-34	4	—	588	4,106	0.17	1.6	2,301	-76	Continental Bank
681	-25	40	—	721	5,462	0.04	0.5	5,425	56	Continental Corp
756	-16	169	—	925	3,207[3]	0.23	1.1	1,525	-9	Control Data
1,124	-16	5,095	—	6,219	15,819	0.20	12.8	6,163	393	Cooper Industries
718	10	42	126	886	NA	0.66	14.3	1,001	79	Cooper Tire & Rubber
300	NA	27	—	327	NA	—[6*]	—[7]	1,917	24	Adolph Coors
911	14	278	2	1,191	4,864	0.06	1.6	2,386	228	CoreStates Financial
982	7	37	691	1,709	7,582	0.68	49.3	3,259	311	Corning
418	1	84	—	502	1,782[4]	2.50	105.1	5,614	92	Costco Wholesale

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
CPC International/Charles R Shoemate	290	52	La Harpe IL	Western Illinois Univ, BS '62/Chicago, MBA '72	operations	30	2
Cray Research/John A Rollwagen	637	51	Minneapolis MN	MIT, BS '62/Harvard, MBA '64	marketing	17	12
Crestar Financial/Richard G Tilghman	626	51	Norfolk VA	Virginia, BA '63	banking	25	7
Crown Central Pet/Henry A Rosenberg Jr	577	62	Pittsburgh PA	Hobart, BA '52	administration	40	21
Crown Cork & Seal/William J Avery	693	51	Chicago IL	Chicago, BS '68	operations	33	3
CSF Holdings/Charles B Stuzin	635	50	Miami FL	Florida, BS '64/Miami, JD '67	legal	18	10
CSX/John W Snow	99	52	Toledo OH	U of Toledo, BA '62/Virginia, PhD '65	legal	15	3
Cullen/Frost Bankers/Thomas C Frost	732	64	San Antonio TX	Washington & Lee, BS '50	banking	42	21
Cummins Engine/Henry B Schacht	149	57	Erie PA	Yale, BS '56/Harvard, MBA '62	administration	28	23
Cyprus Minerals/Calvin A Campbell Jr	667	57	Detroit MI	Williams, AB '56/Michigan, JD '61	operations	–[2]	–[2]
Dana/Southwood J Morcott	529	54	Covington GA	Davidson, BA '60/Michigan, MBA '63	operations	29	3
Data General/Ronald Skates	417	50	Kansas City MO	Harvard, AB '63/MBA '65	finance	6	2
Dauphin Deposit/William J King	624	63	Philadelphia PA	Pennsylvania, BBA '74/La Salle U, MBA '80	banking	13	6
Dayton Hudson/Kenneth A Macke	238	53	Templeton IA	Drake, BS '61	sales	31	9
Dean Foods/Howard M Dean	416	55	Hinsdale IL	Southern Methodist, BBA '60/Northwestern, MBA '61	administration	37	5
Deere & Co/Hans W Becherer	482	57	Detroit MI	Trinity College CT, BA '57/Harvard, MBA '62	marketing	30	3
Delmarva Power & Lt/Nevius M Curtis	662	62	Holyoke MA	Haverford, BA '51/Stanford, MBA '56	administration	14	8
Delta Air Lines/Ronald W Allen	367	50	Atlanta GA	Georgia Tech, BSIE '64	administration	29	5
Deluxe/Harold V Haverty	336	62	Detroit MI		operations	38	6
Deposit Guaranty/Emerson B Robinson Jr	689	50	Centreville MS	Davidson, BS '63/Harvard, MBA '67	banking	25	8
Detroit Edison/John E Lobbia	647	50	Chicago IL	U of Detroit, BSEE '64	technical	28	2
Dial/John W Teets	82	58	Elgin IL		administration	28	11
Diamond Shamrock/Roger R Hemminghaus	324	55	St Louis MO	Auburn, BS '58	technical	8	5
Digital Equipment/Kenneth H Olsen[1]	411	66	Bridgeport CT	MIT, BS '50/MS '52	technical	35	35
Dillard Dept Stores/William T Dillard Sr[1]	112	77	Mineral Spr AR	Arkansas, BBA '35/Columbia, MS '37	sales	53	53
Dime Savings Bank FSB/Richard D Parsons	644	44	Brooklyn NY	U of Hawaii, BA '68/Union, JD '71	legal	4	2
Discount Corp of NY/Raphael de la Gueronniere	667	40	New Orleans LA	Brown, BA '74	finance	1	1
Walt Disney/Michael D Eisner	31	50	New York NY	Denison, BA '64	operations	8	8
Dole/David H Murdock	295	69	Kansas City MO		finance	10	7
Dominion Bankshares/Warner N Dalhouse	618	57	Roanoke VA	Virginia, BS '56	marketing	36	11
Dominion Resources/Thos E Capps	569	56	Wilmington NC	N Carolina, BA '58/JD '65	legal	8	2
RR Donnelley & Sons/John R Walter	522	45	Pittsburgh PA	Miami of OH, BS '69	marketing	23	3
Dover/Gary L Roubos	421	55	Denver CO	Colorado, BS '59/Harvard, MBA '63	operations	22	11
Dow Chemical/Frank P Popoff	289	56	Bulgaria	Indiana, BS '57/MBA '59	marketing	33	4
Dow Jones/Peter R Kann	525	49	Princeton NJ	Harvard, BA '64	journalism	29	1
Downey S&L Assn/Robert L Kemper	711	63	Sacramento CA	Santa Clara U, BS '50	banking	1	1
DPL/Peter H Forster	270	49	Germany	Wisconsin, BS '64/Columbia, JD '72	operations	19	7
DQE/Wesley W von Schack	612	48	Wantagh NY	Fordham, AB '65/Pace, PhD '90	finance	8	6
Dresser Industries/John J Murphy	211	60	Olean NY	Rochester Ins Tech, AAS '52/So Methodist, MBA '81	operations	40	9
Dreyfus/Howard Stein	224	65	New York NY		finance	37	21
El du Pont de Nemours/Edgar S Woolard Jr	275	58	Washington NC	N Carolina St, BS '56	operations	34	3
Duke Power/William S Lee	109	62	Charlotte NC	Princeton, BS '51	technical	37	10
Dun & Bradstreet/Charles W Moritz	147	55	Washington DC	Yale, BA '58	marketing	32	7

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$921	—	$409	—	$1,330	NA	0.03%	$1.6	$6,189	$373	CPC International
531	3%	10	—	541	$5,516	0.10	1.0	862	113	Cray Research
506	4	15	$32	554	2,681	0.14	1.1	1,211	34	Crestar Financial
627	–36	10	—	637	3,789	0.20	0.4	1,765	–6	Crown Central Pet
462	8	3	—	466	3,077[3]	0.18	5.1	3,807	128	Crown Cork & Seal
505	0	38	—	543	2,398	33.09	15.8	361	22	CSF Holdings
1,235	15	403	1,463	3,101	6,788[4]	0.19	11.6	8,636	–76	CSX
368	3	31	—	399	1,813	3.68	8.8	289	0	Cullen/Frost Bankers
450	2	1,728	—	2,178	6,118	0.18	1.7	3,406	–66	Cummins Engine
500[2]	NA	—	—	500	NA	0.03	0.3	1,679	43	Cyprus Minerals
574	44	150	—	724	2,493[3]	0.10	1.7	4,591	14	Dana
818	105	—	163	981	NA	0.03	—[7]	1,212	77	Data General
550	19	2	5	557	2,204	0.12	0.6	334	46	Dauphin Deposit
1,165	–29	406	—	1,571	9,820	0.09	4.2	16,115	301	Dayton Hudson
743	13	94	153	989	5,528	1.13	11.1	2,168	73	Dean Foods
654	–36	169	—	823	2,968[3]	0.03	1.0	7,069	3	Deere & Co
434	34	—	72	506	1,813	0.01	0.1	845	81	Delmarva Power & Lt
509	–32	567	—	1,075	5,338	0.02	0.6	10,020	–240	Delta Air Lines
797	11	71	278	1,145	3,701	0.06	2.1	1,474	183	Deluxe
460	81	12	—	472	1,454	0.46	1.4	446	32	Deposit Guaranty
522	18	—	—	522	1,287[3]	—[6]	0.3	3,592	568	Detroit Edison
2,161	6	1,399	—	3,559	14,255	0.49	7.3	3,310	–5	Dial
647	–3	46	493	1,187	3,648	0.28	1.5	2,576	37	Diamond Shamrock
995	1	—	—	995	13,816	1.87	107.3	14,238	–865	Digital Equipment
1,780	9	—	1,036	2,816	8,912	3.86	176.3	4,036	206	Dillard Dept Stores
525	20	—	—	525	NA	0.34	0.4	1,011	–51	Dime Savings Bank FSB
500[2]	NA	—	—	500	NA	0.25	0.2	266	–14	Discount Corp of NY
5,442	–52	7	—	5,449	73,125	0.30	58.9	6,627	674	Walt Disney
1,305	0	—	—	1,305[8]	7,101	22.40	450.0	3,216	134	Dole
559	0	10	—	569	3,068	0.17	0.9	1,030	21	Dominion Bankshares
643	5	7	4	654	NA	0.01	0.8	3,786	460	Dominion Resources
644	–16	100	—	744	3,034[4]	0.09	3.7	3,915	205	RR Donnelley & Sons
765	–1	43	155	964	5,726	0.11	2.5	2,196	128	Dover
1,069	15	262	—	1,331	9,520	0.03	4.8	18,807	942	Dow Chemical
730	—	1	—	731	NA	0.02	0.7	1,725	72	Dow Jones
425[2]	NA	—	—	425	NA	0.01	—[7]	340	25	Downey S&L Assn
705	15	688	—	1,392	3,592	0.02	0.3	996	119	DPL
576	24	—	—	576	1,880	0.02	0.3	1,199	134	DQE
1,071	–3	616	—	1,686	7,247	0.07	1.9	4,607	136	Dresser Industries
1,113	–53	515	—	1,628[8]	13,717	3.00	43.7	282	68	Dreyfus
1,356	–10	7	21	1,383	6,830[4]	0.07	23.3	38,151	1,403	El du Pont de Nemours
625	4	2,222	—	2,847	6,225	0.05	3.6	3,817	584	Duke Power
1,629	11	575	—	2,204	11,356	0.04	4.0	4,643	509	Dun & Bradstreet

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Duracell Intl/C Robert Kidder	533	47	Freeport NY	Michigan, BS '66/Iowa St, MS '68	finance	15	8
E-Systems/E Gene Keiffer	377	62	Dallas TX	Southern Methodist, BSEE '55/MSEE '62	technical	42	3
Eastman Kodak/Kay R Whitmore	322	59	Salt Lake City UT	Utah, BS '57/MIT, MS '75	technical	35	2
Eaton/William E Butler	613	61	Waterloo IL	Illinois, BS '56	operations	35	1
Echlin/Frederick J Mancheski	523	65	Stevens Point WI	Wisconsin, BS '48	operations	29	23
Edison Bros Stores/Andrew E Newman	376	47	St Louis MO	Harvard, BA '66/MBA '68	sales	22	5
AG Edwards/Benjamin F Edwards III	583	60	St Louis MO	Princeton, BA '53	finance	36	25
EG&G/John M Kucharski	403	56	Milwaukee WI	Marquette, BS '58/George Washington, JD '65	technical	20	5
Emerson Electric/Charles F Knight	184	56	Lake Forest IL	Cornell, BME '58/MBA '59	administration	19	19
Engelhard/Orin R Smith	28	56	Newark NJ	Brown, BA '57/Seton Hall, MBA '64	marketing	15	8
Enron/Kenneth L Lay	42	50	Tyrone MO	Missouri, BA '64/Houston, PhD '70	operations	8	8
Enserch/William C McCord	536	64	San Antonio TX	Texas A&M, BS '49	technical	43	21
Entergy/Edwin Lupberger	512	55	Atlanta GA	Davidson, AB '58/Emory, MBA '63	finance	13	6
Equifax/C B Rogers Jr	538	62	New York NY	Gettysburg, BA '51/George Washington, MBA '62	administration	5	3
Equimark/Gary W Fiedler	650	47	Elizabeth NJ	Carnegie-Mellon, BS '69	banking	2	2
Equitable of Iowa/Frederick S Hubbell	600	41	Des Moines IA	N Carolina, BA '73/U of Iowa, JD '76	legal	9	3
Equitable Resources/Donald I Moritz	383	64	McKeesport PA	Pittsburgh, BS '48/JD '51	legal	40	14
Ethyl/Floyd D Gottwald Jr	399	69	Richmond VA	Va Military Inst, BS '43/Richmond, MS '51	administration	49	22
Exxon/Lawrence G Rawl	13	64	Lyndhurst NJ	Oklahoma, BS '52	technical	40	5
Farm & Home Finl/John Morton III	—	48	Orange NJ	US Naval Acad, BS '67/Harvard, MBA '73	banking	–[2]	–[2]
Federal Express/Frederick W Smith[1]	564	47	Marks MS	Yale, BA '66	technical	21	21
Federal Home Loan Mtg/Leland C Brendsel	246	50	Sioux Falls SD	Colorado, BS '67/Northwestern, PhD '73	finance	10	5
Federal Natl Mortgage/James A Johnson	139	48	Benson MN	Minnesota, BA '65/Princeton, MA '68	finance	2	1
Federal Paper Board/John R Kennedy	110	61	New York NY	Georgetown, BS '52	sales	41	17
Federated Dept Strs/Allen I Questrom	164	52	Boston MA	Boston U, BA '64	administration	2	2
Fifth Third Bancorp/George A Schaefer Jr	476	47	Cincinnati OH	US Military Acad, BS '67/Xavier, MBA '74	banking	21	1
Fina/Ron W Haddock	681	51	St Elmo IL	Purdue, BS '63	administration	6	3
First Alabama Bcshs/J Stanley Mackin	586	59	Birmingham AL	Auburn, BS '54	finance	26	2
First American Corp/Dennis C Bottorff	727	47	Clarksville IN	Vanderbilt, BE '66/Northwestern, MBA '68	administration	1	1
First Bancp Ohio/Howard L Flood	757	57	Staten Island NY		banking	29	7
First Bank System/John F Grundhofer	274	53	Los Angeles CA	Loyola, BA '60/USC, MBA '64	banking	2	2
First Chicago/Richard L Thomas	619	61	Marion OH	Kenyon, BA '53/Harvard, MBA '58	banking	34	–[2]
First Citizens Bcshs/Lewis R Holding	707	64	Smithfield NC	N Carolina, BS '50/Harvard, MBA '52	finance	39	35
First City Bncp Texas/C Ivan Wilson	493	64	Kerrville TX	Southwest Texas State, BS '49	banking	28	1
First Commerce/Ian Arnof	580	52	McCrory AR	Vanderbilt, BA '61/Harvard, MBA '63	banking	14	9
First Empire State/Robert G Wilmers	638	58	New York NY	Harvard, BA '56	banking	10	9
First Fidelity Bncp/Anthony P Terracciano	207	53	Bayonne NJ	St Peter's, BS '60/Fordham, MA '62	banking	2	2
First Financial Mgmt/Patrick H Thomas	70	49	Atlanta GA	Georgia St, BS '60/MS '61	banking	21	18
First Florida Banks/Paul M Homan	768	52	Cedar Rapids NE	Nebr Lincoln, BA '62/MA '66	banking	1	1
First Hawaiian/Walter A Dods Jr	388	51	Honolulu HI	U of Hawaii, BBA '67	marketing	23	3
First Interstate Bncp/Edward M Carson	472	62	Tucson AZ	Arizona St, BS '51/Stonier Banking, MBA '63	banking	41	2
First of America Bank/Daniel R Smith	410	58	Kalamazoo MI	Western Michigan, BBA '55	banking	36	7
First Security/Spencer F Eccles	682	57	Ogden UT	Utah, BS '56/Columbia, MA '59	banking	33	10

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary ($000)	+ bonus % change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$707	9%	$4	—	$711	NA	0.21%	$5.7	$1,589	$114	Duracell Intl
958	8	4	$92	1,054	$3,555[3]	0.15	1.6	1,991	110	E-Systems
1,146	–19	—	49	1,195	NA	—[6]	0.9	19,419	17	Eastman Kodak
469	NA	106	—	575	NA	0.03	0.8	3,381	74	Eaton
642	12	1	98	740	4,250	0.89	8.9	1,681	44	Echlin
867	11	—	188	1,055	3,656	1.57	12.3	1,385	61	Edison Bros Stores
600	–8	21	—	621	4,364	2.08	18.5	851	92	AG Edwards
897	77	—	106	1,002	3,291	0.07	1.0	2,689	81	EG&G
1,804	2	42	—	1,846	11,681	0.23	27.0	7,443	638	Emerson Electric
1,209	6	910	3,710	5,830	11,951	0.42	7.1	2,436	88	Engelhard
1,754	14	920	2,110	4,784	12,072	0.26	9.9	13,520	242	Enron
650	–34	8	51	709	6,212	0.04	0.3	2,835	19	Enserch
642	–13	110	—	752	3,003	—[6]	0.2	4,051	482	Entergy
699	8	6	—	705	NA	0.30	4.5	1,094	54	Equifax
425	NA	94	—	519	NA	0.08	0.1	355	–8	Equimark
542	14	—	55	597	1,452[3]	1.42	5.8	731	31	Equitable of Iowa
458	–1	583	—	1,041	4,189	0.34	2.6	680	64	Equitable Resources
968	3	10	30	1,008	5,787	5.01	167.6	2,575	207	Ethyl
1,813	17	93	7,453	9,358	19,390	0.02	14.3	102,847	5,600	Exxon
NA	NA	—	—	—	NA	—[6]	—[7]	330	17	Farm & Home Finl
662	14	—	—	662	3,201	7.98	188.9	7,573	–119	Federal Express
1,041	96	480	—	1,521	2,502[3]	0.03	2.0	4,262	555	Federal Home Loan Mtg
1,080	—	1,130	143	2,353	NA	0.02	3.1	13,347	1,455	Federal Natl Mortgage
1,554	–14	—	1,288	2,842	12,058	2.23	30.6	1,435	82	Federal Paper Board
1,995	NA	29	—	2,024[8]	NA	—[6]	—[7]	7,052	0	Federated Dept Strs
703	20	63	77	844	NA	0.14	3.6	885	138	Fifth Third Bancorp
484	–9	—	—	484	2,638[4]	—[6]	—[7]	3,336	42	Fina
510	14	35	74	619	NA	0.23	2.2	659	78	First Alabama Bcshs
400[2]	NA	—	—	400	NA	0.26	1.4	585	17	First American Corp
326	5	4	—	330	1,490	0.09	0.5	360	40	First Bancp Ohio
1,009	35	374	—	1,384	NA	0.05	1.1	1,821	190	First Bank System
552	NA	17	—	569[9]	NA	0.31	7.2	4,830	116	First Chicago
434	18	5	—	439	1,743	14.69	43.0	492	29	First Citizens Bcshs
530	NA	259	—	789	NA	0.27	—[7]	1,144	–225	First City Bncp Texas
623	41	11	—	634	2,409	0.43	2.2	478	34	First Commerce
529	10	10	—	539	2,306	7.50	65.5	851	67	First Empire State
904	NA	37	758	1,699	NA	0.06	1.5	2,778	221	First Fidelity Bncp
3,764	50	160	—	3,924	15,180	0.96	14.8	1,507	89	First Financial Mgmt
300[2]	NA	—	—	300	NA	0.03	0.2	561	–42	First Florida Banks
1,034	20	—	—	1,034	2,611[3]	0.83	7.0	578	82	First Hawaiian
665	–27	197	—	863	NA	0.03	0.9	5,093	–288	First Interstate Bncp
996	9	—	—	996	3,785	0.12	1.4	1,434	135	First of America Bank
456	–13	27	—	483	2,168	3.28	26.5	707	60	First Security

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
First Tennessee Natl/Ronald Terry	415	61	Memphis TN	Memphis St, BS '52	banking	35	19
First Union/Edward E Crutchfield Jr	385	50	Dearborn MI	Davidson, BA '63/Pennsylvania, MBA '65	banking	27	8
First Virginia Banks/Robert H Zalokar	340	65	West Mineral KS	Kansas, BS '50	banking	37	7
Firstar/Roger L Fitzsimonds	494	54	Milwaukee WI	Wis Milw, BA '60/MBA '71	banking	28	1
FirstFed Finl/William S Mortensen	186	59	Philadelphia PA	USC, BS '54	banking	37	9
FirstFed Michigan/C Gene Harling	616	46	Gainesville FL	Florida, BBA '68/Wayne State, MBA '69	finance	13	2
FirsTier Financial/David A Rismiller	699	56	Baltimore MD	Ohio St, BS '59	banking	4	3
Fleet Financial/Terrence Murray	257	52	Woonsocket RI	Harvard, BA '62	banking	30	10
Fleming Cos/E Dean Werries	384	63	Tescott KS	Kansas, BS '52	operations	37	4
FlightSafety Intl/Albert L Ueltschi[1]	745	75	Frankfort KY		technical	41	41
Florida Progress/Jack B Critchfield	601	59	Rockwood PA	Slippery Rock U, BS '55/Pittsburgh, MA '60	administration	9	2
Fluor/Leslie G McCraw	92	57	Sandy Springs SC	Clemson, BSCE '56	technical	17	2
FMC/Robert N Burt	527	55	Lakewood OH	Princeton, BS '59/Harvard, MBA '64	administration	19	1
Food Lion/Tom E Smith	380	51	Salisbury NC	Catawba, BA '64	sales	22	6
Ford Motor/Harold A Poling	339	66	Troy MI	Monmouth, BA '49/Indiana, MBA '51	administration	41	2
Forest Labs/Howard Solomon	724	64	New York NY	CUNY City, BA '49/Yale, JD '52	legal	15	15
Fortune Bancorp/John R Torell III	785	52	West Hartford CT	Princeton, BA '61	banking	2	1
Foster Wheeler/Louis E Azzato	423	61	New York NY	CUNY City, BS '52	technical	40	11
Fourth Financial/Darrell G Knudson	717	54	Centerville SD		banking	1	1
FPL Group/James L Broadhead	342	56	New Rochelle NY	Cornell, BSME '58/Columbia, JD '63	technical	3	3
Franklin Resources/Charles B Johnson	636	59	Montclair NJ	Yale, BA '54	finance	35	21
Freeport-McMoRan/James R Moffett	41	53	Houma LA	Texas, BS '61/Tulane, MS '63	technical	22	8
Fruit of the Loom/William Farley	—	49	Pawtucket RI	Bowdoin, AB '64/Boston C, JD '69	legal	16	7
Gannett/John J Curley	152	53	Easton PA	Dickinson, BA '60/Columbia, MS '63	journalism	22	6
Gap/Donald G Fisher[1]	179	63	San Francisco CA	Calif Berkeley, BS '50	finance	23	23
GATX/James J Glasser	100	57	Chicago IL	Yale, AB '55/Harvard, JD '58	legal	31	14
Geico/William B Snyder	249	62	Clarksburg WV	Texas Tech, BS '55	marketing	15	7
GenCorp/A William Reynolds	452	58	Columbus OH	Harvard, AB '55/Stanford, MBA '57	administration	8	7
Genentech/G Kirk Raab	354	56	New York NY	Colgate, BS '59	marketing	7	2
General Cinema/Robert J Tarr	242	48	Freeport NY	US Naval Acad, BS '66/Harvard, MBA '73	finance	16	1
General Dynamics/William A Anders	50	58	Hong Kong	US Naval Acad, BSEE '55	operations	2	1
General Electric/John F Welch Jr	36	56	Peabody MA	Massachusetts, BS '57/Illinois, PhD '60	technical	32	11
General Mills/H B Atwater Jr	38	61	Minneapolis MN	Princeton, AB '52/Stanford, MBA '54	marketing	34	11
General Motors/Robert C Stempel	213	58	Trenton NJ	Worcester Polytech, BSME '55/PhD '77	technical	34	2
General Public Utils/James R Leva	746	60	Boonton NJ	Fairleigh Dickinson, BSEE '60/Seton Hall, JD '80	technical	—[2]	—[2]
General Re/Ronald E Ferguson	185	50	Chicago IL	Blackburn, BA '63/Michigan, MS '65	insurance	23	5
General Signal/Edmund M Carpenter	331	50	Toledo OH	Michigan, BSE '63/MBA '64	operations	4	4
Genuine Parts/Larry L Prince	481	53	Dyersburg TN		administration	34	2
Georgia Gulf/Jerry R Satrum	610	47	Silverton OR	Oregon St, BS '68	finance	7	1
Georgia-Pacific/T Marshall Hahn Jr	138	65	Lexington KY	Kentucky, BS '45/MIT, PhD '50	technical	17	9
Gerber Products/Alfred A Piergallini	308	45	Martin's Creek PA	Lafayette, BA '68/Chicago, MBA '70	marketing	3	2
Giant Food/Israel Cohen[1]	83	79	Israel		administration	56	15
Gillette/Alfred M Zeien	71	62	New York NY	Webb Institute, BS '52	operations	24	1

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$670	36%	$321	—	$991	$5,792	0.97%	$7.8	$756	$64	First Tennessee Natl
650	8	388	—	1,038	5,364	0.08	3.8	4,321	319	First Union
707	17	29	$402	1,138	3,607	0.25	2.3	588	70	First Virginia Banks
708	—	34	42	784	NA	0.08	1.2	1,254	134	Firstar
494	2	—	1,328	1,822	3,509	1.10	2.4	304	28	FirstFed Finl
500	23	72	—	573	NA	0.02	—[7]	950	34	FirstFed Michigan
431	19	21	—	453	1,131[3]	0.12	0.4	293	33	FirsTier Financial
1,402	85	54	—	1,456	8,542	0.17	6.0	4,439	98	Fleet Financial
764	12	276	—	1,039	3,571	0.21	2.4	12,902	72	Fleming Cos
369	1	—	—	369	1,473	33.83	568.4	268	72	FlightSafety Intl
596	17	—	—	596	1,474[3]	—[6]	0.2	2,075	172	Florida Progress
1,111	24	435	1,756	3,302	7,061[3]	0.05	1.7	6,580	164	Fluor
620	NA	18	89	727[9]	NA	0.03	0.6	3,899	173	FMC
879	11	30	141	1,050	3,702	0.79	52.6	6,439	205	Food Lion
1,141	–7	—	—	1,141	4,627[3]	0.05	9.3	88,286	–2,258	Ford Motor
401	18	—	—	401	4,715	1.66	20.6	228	47	Forest Labs
133	–40	—	—	133	NA	0.15	—[7]	263	–12	Fortune Bancorp
903	–12	—	60	963	3,133	0.12	1.2	1,992	43	Foster Wheeler
386	NA	27	—	413	NA	0.06	0.3	416	23	Fourth Financial
1,120	29	13	—	1,134	3,107[3]	0.06	3.7	5,249	241	FPL Group
524	9	18	—	542	2,451	20.41	373.7	334	104	Franklin Resources
1,168	0	1,527	2,136	4,831	32,930	0.84	24.9	1,579	97	Freeport-McMoRan
NA	NA	—	—	—	NA	16.57	368.4	1,628	111	Fruit of the Loom
1,300	0	374	463	2,136	9,136	0.09	6.1	3,382	302	Gannett
1,876	7	15	—	1,891[8]	6,921	24.64	1,519.5	2,519	230	Gap
846	8	660	1,593	3,099	9,313	0.74	3.8	989	83	GATX
1,000	1	495	—	1,495	6,876	0.27	8.8	2,147	196	Geico
870	6	38	—	908	11,111	0.23	0.9	1,993	32	GenCorp
870	29	231	—	1,101	NA	0.01	0.4	467	44	Genentech
1,518	NA	41	—	1,559[9]	NA	0.36	6.0	3,584	–257	General Cinema
4,450	324	46	—	4,496	NA	0.28	7.6	8,751	505	General Dynamics
3,207	8	—	1,894	5,101	28,681	0.02	14.0	60,236	4,435	General Electric
1,431	0	687	2,810	4,928	12,302	0.23	24.1	7,607	493	General Mills
1,000	15	675	—	1,675	NA	—[6]	2.7	123,056	–4,992	General Motors
330	NA	38	—	367[9]	NA	—[6]	0.1	3,372	218	General Public Utils
1,257	0	280	303	1,841	7,338	0.05	3.5	3,207	657	General Re
962	27	196	—	1,158	4,906[4]	0.10	1.2	1,616	54	General Signal
667	18	—	158	825	2,006[3]	0.05	1.8	3,435	208	Genuine Parts
581	—	—	—	581	NA	3.21	26.0	838	62	Georgia Gulf
1,500	0	447	470	2,416	12,075	0.21	12.9	11,524	–79	Georgia-Pacific
916	59	341	—	1,257	NA	0.12	2.7	1,209	106	Gerber Products
1,287	6	24	2,233	3,544	21,597	4.80	58.5	3,397	102	Giant Food
1,112	—	74	2,724	3,910	NA	0.12	13.0	4,684	427	Gillette

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 27, 1992. [3]Three-year total. [4]Four-year total. [6]Less than 0.01%. [7]Less than $100,000. [8]Prior-year data. [9]New CEO; cash compensation is for another executive office. NA: Not available.

Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
PH Glatfelter/Thomas C Norris	414	54	York PA	Gettysburg College, BA '60	administration	32	12
GlenFed/Norman M Coulson	595	59	Hilt CA	Cal St Long Beach, BA '57/Pepperdine, MBA '73	banking	35	5
Golden West Finl/Herbert M Sandler[1*]	499	60	New York NY	CUNY City, BSS '51/Columbia, JSD '54	finance	29	29
BF Goodrich/John D Ong	233	58	Uhrichsville OH	Ohio St, BA '54/Harvard, LLB '57	operations	31	13
Goodyear/Stanley C Gault	344	66	Wooster OH	Wooster, BA '48	administration	1	1
WR Grace/J Peter Grace	10	79	Manhasset NY	Yale, BA '36	finance	56	47
WW Grainger/David W Grainger	371	64	Chicago IL	Wisconsin, BSEE '50	administration	40	18
Great American Mgmt/Samuel Zell	789	50	Chicago IL	Michigan, BA '61/JD '63	finance	11	9
Great A&P Tea/James Wood	9	62	England	Loughborough, CB '55	sales	12	12
Great Lakes Bancorp/Robert J Delonis	782	40	Detroit MI	Michigan, BBA '73	finance	10	–[2]
Great Lakes Chemical/Emerson Kampen	189	64	Kalamazoo MI	Michigan, BS '51	operations	41	15
Gt Western Financial/James F Montgomery	192	57	Topeka KS	UCLA, BS '57	finance	17	13
Greater NY Savings/Gerard C Keegan	716	45	Brooklyn NY	St Francis (NY), BBA '68	banking	21	–[2]
Grumman/Renso L Caporali	579	59	Batavia NY	Clarkson, BCE '54/Princeton, PhD '64	technical	33	2
GTE/Charles R Lee	178	52	Pittsburgh PA	Cornell, BA '62/Harvard, MBA '64	finance	9	–[2]
Gulf States Utils/Joseph L Donnelly	781	63	Archbald PA	U of Scranton, BS '50/Pennsylvania, JD '53	finance	13	–[2]
Halliburton/Thomas H Cruikshank	228	60	Lake Charles LA	Rice, BA '52/Houston, MA '55	legal	23	9
Hannaford Bros/Hugh G Farrington	475	47	North Conway NH	Dartmouth, BA '67/U of New Hampshire, MA '68	administration	24	–[2]
Hanover Insurance/John F O'Brien	—	49	Brockton MA	Harvard, AB '65/MBA '68	insurance	3	–[2]
Harnischfeger Inds/Jeffery T Grade	528	48	Chicago IL	Ill Tech, BS '66/DePaul, MBA '72	finance	9	–[2]
Harris Corp/John T Hartley	304	62	Jacksonville FL	Auburn, BS '55	operations	36	6
Harsco/Malcolm W Gambill	279	61	Crumpler NC	Yale, BS '53	operations	37	5
Hartford Steam Boiler/Wilson Wilde	293	64	Hartford CT	Williams, BA '49	insurance	38	21
Hasbro/Alan G Hassenfeld	58	43	Providence RI	Pennsylvania, BA '70	marketing	22	3
Hawaiian Electric/Robert F Clarke	631	50	Oakland CA	Calif Berkeley, BA '65/MBA '66	finance	5	1
HealthTrust/R Clayton McWhorter	438	58	Chattanooga TN	Samford U, BS '55	operations	22	5
Hechinger/John W Hechinger Jr	651	42	Washington DC	Boston C, BS '72	operations	20	2
HJ Heinz/Anthony J F O'Reilly	1	56	Ireland	U of Dublin, BCL '58/U of Bradford, PhD '80	marketing	23	13
Hercules/Thomas L Gossage	382	58	Nashville TN	Georgia Tech, BS '56/MS '57	technical	4	1
Hershey Foods/Richard A Zimmerman	276	60	Lebanon PA	Penn St, BA '53	operations	34	8
Hewlett-Packard/John A Young	96	60	Nampa ID	Oregon St, BS '53/Stanford, MBA '58	technical	34	14
Hibernia/Stephen A Hansel	—	44	Long Branch NJ	Wesleyan, BA '69/Virginia, MBA '71	banking	–[2]	–[2]
Hillenbrand Inds/W August Hillenbrand	264	51	Batesville IN	St Joseph's, BS '65	administration	26	3
Hills Dept Stores/Michael Bozic	513	51	Pittsburgh PA	Pittsburgh, BA '63	operations	1	1
Hilton Hotels/Barron Hilton	398	64	Dallas TX		administration	38	26
Home Depot/Bernard Marcus[1]	198	63	Newark NJ	Rutgers, BS '54	administration	14	14
HomeFed/Thomas J Wageman	—	58	Chicago IL	Notre Dame, BA '56/Chicago, MBA '62	banking	1	1
Honeywell/James J Renier	122	62	Duluth MN	Col of St Thomas, BS '51/Iowa St, PhD '55	technical	36	5
Horace Mann Educators/Paul J Kardos	488	55	NA			15	10
Geo A Hormel/Richard L Knowlton	65	59	Austin MN	Colorado, BA '54	marketing	44	11
Household Intl/Donald C Clark	337	60	Brooklyn NY	Clarkson, BBA '53/Northwestern, MBA '61	finance	37	10
Houston Industries/Don D Jordan	457	60	Corp Christi TX	Texas, BBA '54/S Texas Col of Law, JD '69	legal	36	15
Howard Savings Bank/William P Tuggle III	594	59	El Dorado AK	N Carolina, BS '55/MBA '59	banking	2	2

[1]Company founder. [2]New CEO, less than six months' service. *Office jointly held with Marion O Sandler.

Compensation						Stock owned		Company data[1]		Company
Salary ($000)	+ bonus % change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$590	–11%	$402	—	$992	$4,127	0.13%	$1.5	$568	$76	PH Glatfelter
597	–12	4	—	601	3,882	0.12	0.1	1,911	–85	GlenFed
775	8	4	—	779	4,795	7.15	178.2	2,241	239	Golden West Finl
723	–28	62	$805	1,590	7,179	0.29	4.0	2,472	–81	BF Goodrich
840[2]	NA	287	—	1,127	NA	0.07	3.8	10,907	75	Goodyear
1,706	8	3,389	4,875	9,970	17,898	0.52	17.6	6,049	219	WR Grace
744	3	317	—	1,061	4,723	10.77	302.4	2,077	128	WW Grainger
28[10]	—	—	—	28	140	74.01*	205.0	1,270	10	Great American Mgmt
3,618	6	8	7,375	11,001	29,601	0.03	0.4	11,591	71	Great A&P Tea
201	NA	1	—	202[9]	NA	0.24	0.1	315	1	Great Lakes Bancorp
1,030	11	6	771	1,807	5,498	0.83	36.8	1,308	158	Great Lakes Chemical
1,719	27	77	—	1,796	10,120	0.28	6.3	3,953	298	Gt Western Financial
365	NA	53	—	418[9]	NA	0.40	0.1	246	–58	Greater NY Savings
595	37	40	—	635	NA	0.12	0.8	3,963	99	Grumman
1,416	NA	479	—	1,895[9]	NA	—[6]	1.7	19,621	1,580	GTE
218	NA	6	—	224[9]	NA	—[6]	—[7]	1,702	122	Gulf States Utils
1,200	9	411	—	1,611	6,967	0.09	2.2	7,019	27	Halliburton
462	NA	381	8	850[9]	NA	0.48	4.8	2,008	43	Hannaford Bros
NA	NA	—	—	—	NA	—[6]	—[7]	1,808	49	Hanover Insurance
683	NA	42	—	725[9]	NA	0.34	2.1	1,536	62	Harnischfeger Inds
869	–19	406	—	1,275	5,393	0.06	0.7	2,997	90	Harris Corp
633	19	743	—	1,376	4,406	0.23	2.2	1,943	77	Harsco
919	–2	391	—	1,310	6,761	0.34	3.7	630	74	Hartford Steam Boiler
1,411	23	76	2,741	4,228	6,501[3]	3.50	75.3	2,141	82	Hasbro
344	—	103	99	546	NA	0.03	0.3	1,084	55	Hawaiian Electric
900	NA	35	—	935	NA	1.06	14.5	2,065	79	HealthTrust
518	21	—	—	518[9]	NA	1.37	5.6	1,608	26	Hechinger
1,361	11	2,271	71,459	75,091	88,558	0.93	89.0	6,553	649	HJ Heinz
994	—	50	—	1,044	NA	0.13	3.3	2,929	95	Hercules
815	6	568	—	1,383	6,044	0.18	6.7	2,899	220	Hershey Foods
1,535	2	117	1,492	3,144	18,426	0.06	11.5	14,949	856	Hewlett-Packard
NA	NA	—	—	—	NA	—[6]	—[7]	690	–143	Hibernia
967	24	462	—	1,428	4,511[4]	6.36	198.7	1,199	89	Hillenbrand Inds
750[2]	NA	—	—	750	NA	—[6]	—[7]	1,680	10	Hills Dept Stores
996	–5	13	—	1,008	4,806	24.75	553.9	1,082	84	Hilton Hotels
1,587	0	165	—	1,752	8,149	3.99	534.2	5,137	249	Home Depot
NA	NA	—	—	—	NA	—[6]	—[7]	1,663	–948	HomeFed
1,276	–13	425	867	2,568	7,739	0.18	9.2	6,193	331	Honeywell
800	37	4	—	804	NA	1.75	10.6	657	25	Horace Mann Educators
1,662	4	10	2,338	4,010	10,301	0.30	3.9	2,764	83	Geo A Hormel
1,094	–23	50	—	1,144	12,235	0.37	6.9	4,594	150	Household Intl
829	0	64	—	893	3,803	0.04	2.0	4,444	417	Houston Industries
603	292	—	—	603	NA	—[6]	—[7]	344	–33	Howard Savings Bank

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Hubbell/G J Ratcliffe	217	55	Charleston WV	Virginia, LLB '61	legal	18	4
Humana/David A Jones*	23	60	Louisville KY	Louisville, BS '54/Yale, JD '60	legal	31	31
Huntington Bcshs/Frank Wobst	430	58	Germany	U of Erlangen, BA '55/Rutgers, MBA '64	banking	18	11
IBP/Robert L Peterson	53	59	Hartington NE		administration	31	12
ICH/Robert T Shaw	355	57	McCrory AR		insurance	27	17
Illinois Central/Edward L Moyers	203	63	Vicksburg MS	Louisiana Tech, BS '55	operations	3	3
Illinois Power/Larry D Haab	723	54	Fairbury IL	Millikin, BS '59	operations	27	1
Illinois Tool Works/John D Nichols	47	61	China	Harvard, BA '53/MBA '55	operations	12	10
IMC Fertilizer Group/Billie B Turner	94	61	Whitesboro TX	Texas A&M, BS '52	sales	38	9
Imcera Group/M Blakeman Ingle	66	50	Carlsbad NM	Fort Lewis, BS '64/Colorado St, PhD '68	technical	12	1
INB Financial/Thomas M Miller	519	62	Corydon IN	Indiana, BS '52	banking	38	11
Ingersoll-Rand/Theodore H Black	262	63	Jersey City NJ	US Naval Acad, BS '53	technical	35	4
Inland Steel Inds/Frank W Luerssen	645	64	Reading PA	Penn St, BS '50/Lehigh, MS '51	technical	40	9
Integra Financial/William F Roemer	608	58	Youngstown OH	Princeton, BA '55	banking	22	13
Intel/Andrew S Grove	313	55	Hungary	CUNY City, BS '60/Calif Berkeley, PhD '63	technical	24	5
Intelligent Electron/Richard D Sanford[1]	358	48	New York NY	Hofstra, BA '71	finance	10	10
Intergraph/James W Meadlock[1]	766	58	Taylorsville NC	N Carolina St, BS '56	technical	23	23
IBM/John F Akers	159	57	Boston MA	Yale, BS '56	marketing	32	7
Intl Flavors & Frags/Eugene P Grisanti	401	62	Buffalo NY	Boston U, LLB '53/Harvard, LLM '54	legal	32	7
Intl Game Technology/Charles N Mathewson	21	63	Huntington Park CA	USC, BA '53	finance	6	5
Intl Multifoods/Anthony Luiso	434	48	Italy	Iona, BA '67/Chicago, MBA '82	finance	5	3
International Paper/John A Georges	35	61	El Paso TX	Illinois, BS '51/Drexel, MS '57	technical	13	8
Interpublic Group/Philip H Geier Jr	49	57	Pontiac MI	Colgate, BA '57/Columbia, MBA '58	administration	17	12
Ipalco Enterprises/John R Hodowal	598	47	Dayton OH	Purdue, BSIE '66/Indiana, JD '70	technical	24	3
Itel/Samuel Zell	404	50	Chicago IL	Michigan, BA '61/JD '63	finance	24	24
ITT/Rand V Araskog	62	60	Fergus Falls MN	US Military Acad, BS '53	administration	25	13
IVAX/Phillip Frost[1]	754	55	Philadelphia PA	Pennsylvania, BA '57/Yeshiva U Einstein, MD '61	medical	5	5
James River Corp Va/Robert C Williams[1]	315	62	Cincinnati OH	Cincinnati, BSME '53/Xavier, MBA '57	technical	33	2
Jefferson-Pilot/W Roger Soles	76	71	Whiteville NC	N Carolina, BS '47	finance	45	25
Johnson & Johnson/Ralph S Larsen	137	53	Brooklyn NY	Hofstra, BBA '62	operations	30	3
Johnson Controls/James H Keyes	478	51	La Crosse WI	Marquette, BS '62/Northwestern, MBA '63	finance	26	4
Jostens/H William Lurton	395	62	Greenwich CT	Principia, BA '51	sales	37	20
JWP/Andrew T Dwyer	117	43	Morristown NJ	Yale, BA '71/New York Law Sch, JD '74	legal	16	7
Kansas City P&L/Drue Jennings	743	45	Topeka KS	Kansas, BS '68/JD '72	legal	18	4
Kansas Power & Light/John E Hayes Jr	712	54	Kansas City MO	Rockhurst, BS '59	administration	3	3
Kellogg/Arnold G Langbo	127	55	Canada		administration	36	–[2]
Kelly Services/Terence E Adderley	659	58	Detroit MI	Michigan, BBA '55/MBA '56	finance	34	25
Kemper/David B Mathis	353	54	Atlanta GA	Lake Forest, BA '60	insurance	36	–[2]
Kerr-McGee/Frank A McPherson	545	59	Stillwell OK	Oklahoma St, BS '57	operations	35	9
KeyCorp/Victor J Riley Jr	269	60	Buffalo NY	Notre Dame, BA '53	finance	28	18
Kimberly-Clark/Wayne R Sanders	387	44	Chicago IL	Ill Tech, BSCE '69/Marquette, MBA '72	administration	17	–[2]
King World Prods/Michael King	40	44	Summit NJ	Fairleigh Dickinson, BA '71	marketing	19	8
Kmart/Joseph E Antonini	235	50	Morgantown WV	West Virginia, BS '64	sales	28	5

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$797	10%	—	$845	$1,642	$4,776	0.38%	$5.1	$756	$91	Hubbell
1,366	20	$189	5,045	6,600	12,505	2.18	85.1	6,344	355	Humana
887	44	63	—	950	5,196	0.54	7.2	1,219	117	Huntington Bcshs
2,706	12	40	1,631	4,377	13,671	0.13	1.1	10,388	1	IBP
1,097	0	—	—	1,097	5,483	12.26	23.6	1,872	–8	ICH
1,452	133	268	—	1,720	3,279[3]	0.66	6.3	550	65	Illinois Central
392	—	9	—	401	NA	0.01	0.2	1,475	109	Illinois Power
952	13	644	3,022	4,617	14,174	0.41	14.3	2,640	181	Illinois Tool Works
744	–8	2,502	—	3,246	7,201	0.47	5.0	1,100	90	IMC Fertilizer Group
867	NA	2,166	961	3,994[9]	NA	0.20	4.5	1,664	102	Imcera Group
523	17	223	—	746	5,203	0.76	6.0	643	48	INB Financial
1,129	–6	316	—	1,445	5,871[4]	0.05	1.6	3,586	151	Ingersoll-Rand
524	6	—	—	524	5,350	0.23	1.7	3,404	–275	Inland Steel Inds
561	62	22	—	583	2,404	0.10	0.9	802	70	Integra Financial
1,115	30	110	—	1,225	10,040	0.10	11.1	4,779	819	Intel
1,093	26	—	—	1,093	2,466[4]	11.04	51.0	2,173	39	Intelligent Electron
300	0	6	—	306	1,382	2.43	19.5	1,195	71	Intergraph
1,175	–42	—	921	2,096	10,013	0.01	5.8	64,792	–564	IBM
788	11	19	196	1,003	4,134	1.38	59.1	1,017	169	Intl Flavors & Frags
548	34	20	6,238	6,806	8,039	4.17	61.2	250	35	Intl Game Technology
937*	152	8	—	945	1,706[3]	0.16	0.8	2,271	39	Intl Multifoods
1,357	–6	2,967	818	5,142	11,920	0.14	13.4	12,703	399	International Paper
1,474	–10	3,027	—	4,501	23,493	1.15	24.6	1,635	95	Interpublic Group
535	11	64	—	598	1,634[3]	0.03	0.4	648	102	Ipalco Enterprises
1,000	–10	—	—	1,000[8]	4,062	22.10	151.7	1,689	–123	Itel
2,800	–27	1,329	—	4,129	21,421	0.33	24.7	20,421	817	ITT
333	120	3	—	337	1,345	19.27	315.8	182	12	IVAX
768	—	21	435	1,224	NA	0.67	11.7	4,562	78	James River Corp Va
1,579	12	2,180	—	3,759	10,249	0.40	7.5	1,173	176	Jefferson-Pilot
1,253	16	880	284	2,417	7,222[4]	0.01	3.3	12,447	1,461	Johnson & Johnson
787	12	—	55	842	4,494	0.12	2.0	4,626	99	Johnson Controls
997	–1	16	—	1,013	9,832	0.87	10.4	872	65	Jostens
574	–64	2,141	—	2,715	17,780	4.30	26.7	3,594	60	JWP
346	–5	25	—	371	1,467[4]	0.02	0.3	825	104	Kansas City P&L
414	–2	7	—	421	NA	0.01	0.1	1,162	72	Kansas Power & Light
901	NA	13	1,628	2,542[9]	NA	0.04	5.8	5,787	606	Kellogg
510	–28	—	—	510	2,930	5.46	59.2	1,438	39	Kelly Services
892	NA	209	—	1,101[9]	NA	0.07	0.9	3,131	205	Kemper
542	–32	151	—	693	5,072	0.12	2.2	3,274	102	Kerr-McGee
1,187	18	4	202	1,394	5,047	0.02	0.5	2,259	188	KeyCorp
820	NA	215	—	1,035	NA	0.01	0.9	6,777	508	Kimberly-Clark
2,036	8	11	2,812	4,858	10,023	8.14	79.9	505	94	King World Prods
1,546	56	32	—	1,578	6,213	0.03	3.3	34,859	859	Kmart

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Knight-Ridder/James K Batten	311	56	Suffolk VA	Davidson, BS '57/Princeton, MPA '62	journalism	35	4
Kroger/Joseph A Pichler	548	52	St Louis MO	Notre Dame, BA '61/Chicago, PhD '66	administration	12	2
KU Energy/John T Newton	671	61	Shelbyville KY	Western Kentucky, BS '52	finance	34	5
Lafarge/Robert W Murdoch	703	50	Australia	U of Brit Columbia, BA '64/U of Toronto, LLB '67	administration	25	3
Leucadia National/Ian M Cumming	209	52	Canada	Kansas, '62	administration	14	14
LG&E Energy/Roger W Hale	551	48	Baltimore MD	Maryland, BA '65/MIT, MS '79	marketing	3	3
Liberty National/Joseph W Phelps	656	65	Richmond KY		banking	34	2
Eli Lilly/Vaughn D Bryson	113	54	Gastonia NC	N Carolina, BS '60	medical	31	1
Limited/Leslie H Wexner[1]	172	54	Dayton OH	Ohio St, BS '59	sales	29	29
Lincoln National/Ian M Rolland	386	58	Fort Wayne IN	DePauw, BA '55/Michigan, MA '56	insurance	36	15
Litton Industries/Orion L Hoch	260	63	Canonsburg PA	Carnegie-Mellon, BS '52/Stanford, PhD '57	technical	35	5
Liz Claiborne/Jerome A Chazen[1]	317	65	New York NY	Wisconsin, BA '48/Columbia, MBA '50	finance	15	3
Lockheed/Daniel M Tellep	282	60	Forest City PA	Calif Berkeley, BSME '54/MSEE '55	technical	37	3
Loctite/Kenneth W Butterworth	223	66	Australia	Sydney Tech, BS '55	technical	16	7
Loews/Laurence A Tisch*	735	69	Brooklyn NY	NYU, BS '42/Pennsylvania, MA '43	finance	33	32
Lone Star Tech/John P Harbin	702	74	Waxahachie TX	Texas, BA '39	finance	3	3
Long Island Lighting/William J Catacosinos	691	62	New York NY	NYU, BS '51/PhD '62	technical	13	8
Longs Drug Stores/Robert M Long	710	54	Oakland CA	Claremont Mens C, BA '60	sales	31	15
Loral/Bernard L Schwartz	104	66	New York NY	CUNY City, BBA '48	administration	20	20
Lotus Development/Jim P Manzi	52	40	New York NY	Colgate, BA '73/Tufts, MA '79	journalism	9	6
Louisiana-Pacific/Harry A Merlo	200	67	Stirling City CA	Calif Berkeley, BS '49	marketing	42	18
Lowe's Cos/Leonard G Herring	639	64	Snow Hill NC	N Carolina, BS '48	finance	36	14
LTV/David H Hoag	258	52	Pittsburgh PA	Allegheny, BA '60	marketing	32	1
Lubrizol/Lester E Coleman	281	61	Akron OH	Akron, BS '52/Illinois, PhD '55	technical	37	14
Lyondell Petrochem/Bob G Gower	181	54	West Frankfort IL	Southern Illinois, BA '58/Minnesota, PhD '63	technical	29	4
Manpower/Mitchell S Fromstein	431	64	Milwaukee WI		marketing	16	16
Manufacturers Natl/Gerald V MacDonald	511	53	Detroit MI	Michigan, BA '60	banking	32	2
Manville/W Thomas Stephens	534	49	Crossett AR	Arkansas, BS '65/MS '66	operations	29	6
Mapco/James E Barnes	55	58	Ponca City OK	Oklahoma St, BS '57	operations	9	8
Marion Merrell Dow/Fred W Lyons Jr	288	57	Youngstown OH	Michigan, BS '57/Harvard, MBA '59	administration	22	8
Marriott/J Willard Marriott Jr	222	60	Washington DC	Utah, BS '54	administration	36	20
Marsh & McLennan Cos/Frank J Tasco	175	64	New York NY	NYU, BA '49	insurance	38	6
Marshall & Ilsley/John A Puelicher	142	71	Milwaukee WI	Wis Milw, BA '43	banking	46	34
Martin Marietta/Norman R Augustine	57	56	Denver CO	Princeton, BS '57/MS '59	technical	15	4
Masco/Richard A Manoogian	81	55	Long Branch NJ	Yale, BA '58	administration	34	24
Mattel/John W Amerman	143	60	Newark NJ	Dartmouth, BA '53/MBA '54	marketing	12	5
Maxxam/Charles E Hurwitz	45	52	Kilgore TX	Oklahoma, BS '62	finance	14	12
May Dept Stores/David C Farrell	120	58	Chicago IL	Antioch, BA '56	sales	36	13
Maytag/Leonard A Hadley	653	57	Earlham IA	U of Iowa, BS '58	finance	33	–[2]
MBIA/David H Elliott	366	50	Canaan CT	Yale, BA '64/Boston U, JD '67	insurance	16	–[2]
MBNA/Alfred Lerner	468	59	New York NY	Columbia, BA '55	finance	9	1
McCaw Cellular/Craig O McCaw[1]	784	42	Centralia WA	Stanford, BA '73	administration	26	12
McCormick & Co/Bailey A Thomas	272	61	Crisfield MD	Baltimore Commerce, ABA '52	operations	31	–[2]

[1]Company founder. [2]New CEO, less than six months' service. *Office jointly held with Preston R Tisch.

Compensation						Stock owned		Company data[1]		Company
Salary ($000)	+ bonus % change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$605	-5%	$4	$629	$1,238	$5,326%	0.04%	$1.3	$2,237	$132	Knight-Ridder
600	-21	—	91	692	NA	0.26	4.2	21,351	101	Kroger
495	18	—	—	495	1,629	0.05	0.5	588	81	KU Energy
417	-17	27	—	444	2,122[4]	—[6]	—[7]	1,569	-50	Lafarge
1,643	123	53	—	1,696[8]	8,247	23.81	135.6	NA	95	Leucadia National
543	8	144	—	687	1,673[3]	—[6]	—[7]	715	83	LG&E Energy
491	19	20	—	511	1,386[3]	0.48	2.7	396	38	Liberty National
1,045	NA	268	1,490	2,802[9]	NA	0.06	11.6	5,726	1,315	Eli Lilly
1,818	-1	126	—	1,944	7,986	21.75	1,948.3	6,149	403	Limited
1,025	-26	11	—	1,036	5,649	0.05	1.3	9,304	208	Lincoln National
1,406	5	40	—	1,446	9,485	0.26	4.6	5,463	68	Litton Industries
1,185	-3	32	—	1,217	3,310[3]	3.34	95.9	2,007	223	Liz Claiborne
1,225	21	122	—	1,347	3,833[4]	0.01	0.3	9,809	308	Lockheed
600	7	222	808	1,630	3,686	0.14	2.2	561	72	Loctite
339	2	55	—	394	1,554	14.38	1,047.9	12,881	904	Loews
425	13	—	20	445	972[3]	0.07	—[7]	475	6	Lone Star Tech
455	15	12	—	467	2,266	0.01	0.3	2,549	306	Long Island Lighting
421	-4	6	—	427	2,539	10.09	71.4	2,366	55	Longs Drug Stores
2,401	-9	587	—	2,987	10,261	2.65	24.3	2,870	112	Loral
868	-12	66	3,485	4,419[8]	51,683	3.00	40.7	829	43	Lotus Development
750	15	403	587	1,740	12,053	0.94	22.8	1,702	56	Louisiana-Pacific
522	-10	—	18	539	2,579	1.34	19.0	3,056	7	Lowe's Cos
720	—	735	—	1,455	NA	—[5]	—[7]	5,986	74	LTV
880	-5	38	442	1,360	4,923	0.28	6.3	1,476	124	Lubrizol
915	4	964	—	1,879	4,282[4]	0.06	1.3	5,729	222	Lyondell Petrochem
948	NA	—	—	948	NA	0.32	3.3	2,800	-53	Manpower
745	66	8	—	753	2,006[3]	0.14	2.1	1,160	120	Manufacturers Natl
575	-33	136	—	711	4,794	0.13	0.6	2,025	-13	Manville
1,243	-26	245	2,868	4,356	13,955	0.56	9.4	2,643	126	Mapco
1,314	12	20	—	1,334	14,295	0.08	8.0	2,851	585	Marion Merrell Dow
1,304	71	326	—	1,631	6,576	8.21	132.5	8,331	82	Marriott
1,590	2	325	—	1,915	8,929	0.16	9.1	2,779	306	Marsh & McLennan Cos
1,316	57	1,026	—	2,342	6,568	0.83	9.6	835	99	Marshall & Ilsley
1,262	12	548	2,446	4,255	9,514	0.07	1.8	6,075	313	Martin Marietta
1,100	4	2,461	—	3,561[8]	27,811	1.29	51.5	3,141	45	Masco
1,441	18	558	338	2,336	8,139	0.20	4.2	1,622	118	Mattel
914	8	103	3,643	4,659	16,888[4]	31.40	100.9	2,255	58	Maxxam
1,580	5	18	1,030	2,629	10,232	0.31	22.9	10,615	515	May Dept Stores
515	NA	—	—	515	NA	0.08	1.5	2,971	79	Maytag
765	NA	106	205	1,076[9]	NA	0.02	0.3	269	145	MBIA
871	NA	—	—	871	NA	10.00	189.3	1,134	149	MBNA
155	-26	—	—	155	53,206	7.51	373.6	1,366	-351	McCaw Cellular
769	NA	10	605	1,384[9]	NA	0.21	4.0	1,428	81	McCormick & Co

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
McDonald's/Michael R Quinlan	244	47	Chicago IL	Loyola, BS '67/MBA '70	administration	26	5
McDonnell Douglas/John F McDonnell	471	54	Baltimore MD	Princeton, BS '60/MS '62	administration	30	4
McGraw-Hill/Joseph L Dionne	204	58	Montgomery AL	Hofstra, BA '55/Columbia, EdD '65	operations	26	9
MCI Communications/Bert C Roberts Jr	305	49	Kansas City MO	Johns Hopkins, BS '65	technical	20	–[2]
McKesson/Alan Seelenfreund	396	55	New York NY	Cornell, BME '59/Stanford, PhD '67	technical	17	3
Mead/Steven C Mason	565	56	Canada	MIT, BS '57	technical	35	–[2]
Medco Containment/Martin J Wygod	2	52	New York NY	NYU, BS '61	finance	15	9
Medical Care Intl/Donald E Steen[1]	654	45	Rochester NY	Missouri	finance	11	11
Medtronic/William W George	436	49	Muskegon MI	Georgia Tech, BSIE '64/Harvard, MBA '66	technical	3	1
Mellon Bank/Frank V Cahouet	105	60	Boston MA	Harvard, BA '54/Pennsylvania, MBA '59	banking	5	5
Melville/Stanley P Goldstein	177	57	Woonsocket RI	Pennsylvania, BS '55	sales	29	5
Mercantile Bancorp/Thomas H Jacobsen	391	52	Chicago IL	Lake Forest, BS '63/Chicago, MBA '68	banking	3	3
Mercantile Bkshs/H Furlong Baldwin	306	60	Baltimore MD	Princeton, AB '54	banking	36	16
Mercantile Stores/David L Nichols	—	49	Toledo OH	U of Toledo, BS '90	marketing	28	–[2]
Merchants National/Otto N Frenzel III	535	61	Indianapolis IN	Pennsylvania, BS '54	banking	38	19
Merck/P Roy Vagelos	91	62	Westfield NJ	Pennsylvania, AB '50/Columbia, MD '54	medical	17	7
Mercury General/George Joseph[1]	657	70	Beckley WV	Harvard, BS '49	insurance	31	31
Meridian Bancorp/Samuel A McCullough	470	53	Pittsburgh PA	Pittsburgh, BBA '60	banking	17	14
Merisel/Michael D Pickett	251	44	Long Beach CA	USC, BBA '69	finance	9	4
Meritor Savings Bank/Roger S Hillas	571	65	Wincote PA	Dartmouth, AB '49/Pennsylvania, MBA '51	banking	4	4
Merrill Lynch/Daniel P Tully	12	60	New York NY	St John's, BA '53	marketing	36	–[2]
Metro Mobile CTS/George L Lindemann	513	56	New York NY	Pennsylvania, BS '58	administration	10	9
Metropolitan Finl/Paul A Lipetzky	771	46	Minneapolis MN	Minnesota, BS '71	finance	4	2
Fred Meyer/Robert G Miller	—	48	Louisville MS		operations	1	1
Michigan National/Robert J Mylod	640	52	Brooklyn NY	St John's, BA '61	banking	7	7
Microsoft/William H Gates[1]	775	36	Seattle WA		technical	17	11
Midlantic/Garry J Scheuring	614	52	Fairmont MN	Notre Dame, BS '61/Chicago, MBA '64	banking	1	1
Midwest Resources/Mark W Putney	709	63	Marshalltown IA	U of Iowa, BA '51/JD '57	legal	20	8
Millipore/John A Gilmartin	374	50	Hackensack NJ	Penn St, BA '65/Harvard, MBA '67	finance	13	6
Minn Mining & Mfg/Livio D DeSimone	277	55	Canada	McGill, BSCE '57	technical	35	1
Minnesota Power & Lt/Arend J Sandbulte	604	58	Sioux Center IA	Iowa St, BSEE '59/Minnesota, MBA '66	finance	28	4
MNC Financial/Frank P Bramble Sr	719	43	Baltimore MD	Towson State U, BS '76	banking	24	1
Mobil/Allen E Murray	43	63	New York NY	NYU, BS '56	finance	39	6
Molex/Frederick A Krehbiel	678	50	Hinsdale IL	Lake Forest, BA '63	operations	27	4
Monsanto/Richard J Mahoney	123	58	Springfield MA	Massachusetts, BS '55	marketing	30	9
Montana Power/Daniel T Berube	783	58	Boston MA	Washington, BS '64/Montana C, MS '71	technical	28	–[2]
JP Morgan & Co/Dennis Weatherstone	61	61	England		banking	46	2
Morgan Stanley/Richard B Fisher	18	55	Philadelphia PA	Princeton, BA '57/Harvard, MBA '62	banking	30	1
Morrison Knudsen/William J Agee	134	54	Boise ID	Idaho, BS '60/Harvard, MBA '63	finance	4	4
Morton International/Charles S Locke	214	63	Laurel MI	Mississippi, BBA '52/MS '55	finance	17	12
Motorola/George M C Fisher	341	51	Anna IL	Illinois, BS '62/Brown, PhD '66	technical	16	4
Multibank Financial/David B Lynch	777	65	New York NY	Yale, BA '50/NYU, LLB '55	finance	17	17
Murphy Oil/Jack W McNutt	560	57	Norphlet AR	Harding, BS '56/Columbia, MS '57	finance	35	4

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary ($000)	+ bonus % change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$1,335	7%	$188	—	$1,523	$6,639	0.07%	$10.0	$6,695	$860	McDonald's
851	47	12	—	863	5,036	3.40	80.0	18,448	473	McDonnell Douglas
834	–19	699	$178	1,711	7,183	0.24	7.3	1,943	148	McGraw-Hill
1,270	NA	—	—	1,270[8]	NA	0.07	6.4	8,433	551	MCI Communications
827	26	35	149	1,011	2,619[3]	0.14	1.8	9,711	100	McKesson
414	NA	100	147	661[8]	NA	0.11	2.4	4,579	66	Mead
459	–21	104	33,996	34,559	40,517[4]	3.20	125.3	1,551	85	Medco Containment
514	–7	—	—	514	7,823	0.51	6.5	282	38	Medical Care Intl
534	—	405	—	939[9]	NA	0.07	2.7	1,125	154	Medtronic
1,177	2	250	1,558	2,985	9,941	0.29	6.0	3,151	280	Mellon Bank
1,297	7	325	278	1,900	6,909	0.19	9.7	9,886	347	Melville
812	8	218	—	1,030	3,032[3]	0.32	2.4	776	67	Mercantile Bancorp
628	26	20	617	1,264	4,858	0.36	3.1	512	71	Mercantile Bkshs
NA	NA	—	—	—	NA	—[6]	—[7]	2,442	114	Mercantile Stores
400	0	310	—	710	4,651	7.76	57.1	537	6	Merchants National
3,344	60	6	—	3,350	25,712	0.08	43.6	8,603	2,122	Merck
502	1	9	—	511[8]	2,468	35.04	131.8	529	66	Mercury General
835	61	31	—	866	3,227	0.16	1.9	1,173	101	Meridian Bancorp
518	73	186	774	1,478	3,347[3]	0.53	1.5	1,585	11	Merisel
651	5	—	—	651	1,866[3]	0.03	—[7]	550	–133	Meritor Savings Bank
4,973	NA	4,541	—	9,514[9]	NA	0.23	12.5	12,363	696	Merrill Lynch
750	16	—	—	750	2,509	38.17	552.0	244	–102	Metro Mobile CTS
295	NA	—	—	295	NA	—[6]	—[7]	496	57	Metropolitan Finl
NA	NA	—	—	—	NA	—[6]	—[7]	2,703	45	Fred Meyer
459	5	74	—	533	3,092	0.26	1.8	1,097	50	Michigan National
275	5	—	—	275	1,094	32.68	6,757.7	2,276	581	Microsoft
574	NA	—	—	574	NA	—[6]	—[7]	1,987	–543	Midlantic
404	10	27	—	430	1,757	0.03	0.3	1,025	68	Midwest Resources
651	11	408	—	1,059	4,421	0.20	2.0	748	60	Millipore
685	NA	346	350	1,381[9]	NA	0.02	3.6	13,340	1,154	Minn Mining & Mfg
564	7	29	—	593	2,795	0.07	0.6	484	76	Minnesota Power & Lt
400	NA	9	—	410	NA	—[6]	—[7]	2,194	–70	MNC Financial
2,040	9	1,331	1,372	4,743	20,186	0.03	8.2	56,042	1,920	Mobil
307	7	180	—	487	2,044[4]	7.55	124.6	740	63	Molex
1,530	25	238	789	2,557	9,225	0.10	8.2	8,864	296	Monsanto
183	NA	—	—	183[9]	NA	0.02	0.2	939	106	Montana Power
2,060	30	140	1,933	4,133	8,164[3]	0.09	9.7	10,314	1,114	JP Morgan & Co
7,509	—	28	—	7,538	NA	3.07	109.9	6,785	475	Morgan Stanley
2,027	80	436	—	2,462	5,829[4]	1.07	7.9	1,980	35	Morrison Knudsen
1,164	8	507	—	1,671	5,144[3]	0.20	5.5	1,967	143	Morton International
1,118	20	16	—	1,135	4,256	—[6]	1.0	11,341	454	Motorola
262	–17	2	—	264	2,216	0.72	0.8	275	–15	Multibank Financial
647	14	22	—	669	2,710	0.11	1.7	1,601	–11	Murphy Oil

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 27, 1992. [3]Three-year total. [4]Four-year total. [6]Less than 0.01%. [7]Less than $100,000. [8]Prior-year data. [9]New CEO; cash compensation is for another executive office. NA: Not available.

Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Mylan Labs/Roy McKnight	714	71	Pittsburgh PA	Princeton, BSEE '42	technical	17	16
Nalco Chemical/Horley H Clark Jr	280	59	Big Stone Gap VA	N Carolina St, BS '56	sales	32	9
Nash Finch/Harold G Finch Jr	704	64	Grand Forks ND	Minnesota, BCHE '52	marketing	26	10
National City/Edward B Brandon	432	60	Davenport IA	Northwestern, BS '53/Pennsylvania, MBA '56	banking	36	5
Natl Community Bks/Robert M Kossick	566	51	New Brunswick NJ	Georgia Tech, BS '63/St Mary's, MA '76	banking	13	13
National Fuel Gas/Bernard J Kennedy	648	60	Niagara Falls NY	Niagara, BA '53/Michigan, JD '58	legal	34	4
National Health Labs/Robert E Draper	136	55	Yonkers NY		finance	21	18
National Intergroup/Abbey J Butler*	—	54	New York NY	American U, BS '58	finance	2	1
National Medical/Richard K Eamer†	5	64	Long Beach CA	USC, BS '55/LLB '59	legal	23	23
Natl Semiconductor/Gilbert F Amelio	546	49	New York NY	Georgia Tech, BS '65/PhD '68	technical	1	1
National Service/Sidney Kirschner	508	57	Canada	NM Sch Mines, BA '56	technical	19	5
NationsBank/Hugh L McColl Jr	84	56	Bennettsville SC	N Carolina, BS '57	banking	33	9
Navistar Intl/James C Cotting	620	58	Winchester MA	Ohio St, BA '55	finance	13	5
NBD Bancorp/Charles T Fisher III	160	62	Detroit MI	Georgetown, AB '51/Harvard, MBA '53	banking	34	10
New England Electric/John W Rowe	542	47	Dodgeville WI	Wisconsin, BS '67/JD '70	legal	3	3
NY State E&G/James A Carrigg	673	59	Johnson City NY	Broome Comm, AAS '58	operations	34	4
New York Times/Arthur Ochs Sulzberger	351	66	New York NY	Columbia, BA '51	journalism	38	13
Newell Co/Daniel C Ferguson	368	65	Freeport IL	Hamilton, BA '48/Stanford, MBA '50	administration	42	26
Newmont Mining/Goroon R Parker	392	56	South Africa	Montana C, BS '58/U of Cape Town, MBA '66	operations	33	7
Niagara Mohawk Power/William J Donlon	706	62	Albany NY	Siena, BS '62	marketing	44	4
Nicor/Richard G Cline	150	57	Chicago IL	Illinois, BS '57	sales	7	6
NIKE/Philip H Knight†	550	54	Portland OR	Oregon, BA '59/Stanford, MBA '62	finance	28	28
Nipsco Industries/Edmund A Schroer	558	64	Hammond IN	Valparaiso, BA '49/Northwestern, JD '52	legal	15	1‡
Nordstrom/Bruce A Nordstrom†	575	59	Seattle WA	Washington, BA '56	sales	37	21
Norfolk Southern/Arnold B McKinnon	97	64	Goldsboro NC	Duke, AB '50/LLB '51	legal	41	5
Northeast Bancorp/Frank J Kugler Jr	755	58	Bridgeport CT	Widener, BA '57	banking	33	5
Northeast Federal/George P Rutland	642	59	Tifton GA	Pace, BBA '61	banking	4	4
Northeast Utilities/William B Ellis	588	51	Vicksburg MS	Carnegie-Mellon, BS '62/Maryland, PhD '66	technical	16	9
No States Power/James J Howard	458	56	Pittsburgh PA	Pittsburgh, BBA '57/MIT, MS '70	technical	5	5
Northern Trust/David W Fox	338	60	Aurora IL	Notre Dame, BS '53/Chicago, MBA '58	banking	37	2
Northrop/Kent Kresa	144	54	New York NY	MIT, BS '59/MS '61	technical	17	2
Norwest/Lloyd P Johnson	93	62	Minneapolis MN	Carleton, BA '52/Stanford, MBA '54	banking	7	7
Novell/Raymond J Noorda†	788	67	Ogden UT	Utah, BSEE '49	technical	9	9
Nucor/F Kenneth Iverson	497	66	Downers Grove IL	Cornell, BS '46/Purdue, MS '47	technical	30	27
NWNL/John G Turner	629	52	Springfield MA	Amherst, BA '61	insurance	25	1
Nynex/William C Ferguson	218	61	Detroit MI	Albion, AB '52	operations	40	3
Occidental Petroleum/Ray R Irani	85	57	Lebanon	American U Beirut, BS '53/USC, PhD '57	technical	9	1
Office Depot/David I Fuente	19	46	Chicago IL	Purdue, BS '67/MS '69	marketing	4	4
Ogden/R Richard Ablon	234	42	New York NY	Boston U, BA '71	marketing	21	2
Ohio Casualty/Joseph L Marcum	696	68	Hamilton OH	Antioch, BA '47/Miami of OH, MBA '65	insurance	45	4
Ohio Edison/Justin T Rogers Jr	623	62	Sandusky OH	Princeton, AB '51/Michigan, JD '54	legal	34	12
Oklahoma G&E/James G Harlow Jr	606	57	Oklahoma City OK	Oklahoma, BS '57	finance	31	16
Old Kent Financial/John C Canepa	141	61	Newburyport MA	Harvard, BA '53/NYU, MBA '60	banking	22	10

†Company founder. *Office jointly held with Melvyn J Estrin. ‡Office jointly held with John A McMillan, James F and John N Nordstrom.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$400	10%	$20	—	$420	$1,667	2.86%	$36.4	$107	$37	Mylan Labs
863	-16	15	$483	1,362	6,518	0.28	6.4	1,237	138	Nalco Chemical
380	7	65	—	444	2,095	1.56	3.2	2,343	19	Nash Finch
755	-15	191	—	946	4,335	0.09	2.4	2,588	231	National City
660	0	—	—	660	8,095	1.95	4.0	354	12	Natl Community Bks
473	12	29	20	522	1,802[4]	0.28	2.1	875	55	National Fuel Gas
1,444	12	1,000	—	2,444	6,048[3]	—[6]	—[7]	604	104	National Health Labs
NA	NA	—	—	—	NA	—[6]	—[7]	3,344	13	National Intergroup
1,498	3	940	15,074	17,512	31,733	1.92	48.0	3,973	292	National Medical
692	NA	—	—	692	NA	—[6]	—[7]	1,671	-142	Natl Semiconductor
757	-7	5	—	762	3,366	0.14	1.7	1,603	26	National Service
2,000	186	734	804	3,538	10,167	0.06	7.6	11,594	202	NationsBank
450	0	118	—	568	3,079	0.04	0.3	3,520	-158	Navistar Intl
1,512	11	—	544	2,056	6,629	0.26	8.9	2,724	293	NBD Bancorp
556	5	145	—	701	1,857[3]	0.02	0.4	2,094	180	New England Electric
366	8	127	—	493	1,570	0.01	0.2	1,556	169	NY State E&G
944	104	23	142	1,109	4,809	9.27	224.6	1,703	47	New York Times
1,075	1	—	—	1,075	6,868	2.23	75.6	1,119	112	Newell Co
1,030	-1	—	—	1,030	6,429	0.06	1.6	623	94	Newmont Mining
433	41	7	—	440	1,416[4]	0.02	0.4	3,383	243	Niagara Mohawk Power
841	-4	855	475	2,172	7,585	0.28	3.1	1,516	109	Nicor
654	20	34	—	688	1,786[4]	34.04	1,689.0	3,277	317	NIKE
629	5	41	—	670	2,342	0.12	1.9	1,535	145	Nipsco Industries
465	55	52	125	642	3,168	6.70	181.0	3,180	136	Nordstrom
1,735	6	509	898	3,143	10,424	0.04	4.0	4,451	30	Norfolk Southern
330	1	6	—	336	1,942	0.40	0.3	331	-17	Northeast Bancorp
529	-1	—	—	529	1,594[3]	—[6]	—[7]	384	6	Northeast Federal
524	5	92	—	617	2,752	0.01	0.3	2,754	237	Northeast Utilities
712	29	177	—	889	3,601	0.03	0.7	2,201	224	No States Power
922	18	25	194	1,142	2,681[3]	0.28	5.2	1,260	127	Northern Trust
1,261	12	1,008	—	2,269	4,797[3]	0.46	5.8	5,694	268	Northrop
1,628	18	210	1,439	3,278	11,943	0.19	10.0	4,420	399	Norwest
40	11	—	—	40	166	10.88	881.7	710	184	Novell
320	-20	48	414	782	2,704	1.07	20.5	1,465	65	Nucor
547	NA	—	—	547	NA	0.13	0.6	1,340	47	NWNL
1,215	16	317	107	1,639	4,303[3]	0.01	2.0	13,229	601	Nynex
2,449	—	1,017	—	3,495	NA	0.11	6.5	10,096	317	Occidental Petroleum
717	50	5	6,270	6,992	8,218[4]	0.07	0.8	1,301	14	Office Depot
1,200	71	385	—	1,585	NA	0.61	5.7	1,568	44	Ogden
448	0	13	—	462	2,210	5.58	52.6	1,714	108	Ohio Casualty
526	28	32	—	558	2,331	—[6]	0.2	2,359	265	Ohio Edison
475	6	113	—	588	2,634	0.07	1.1	1,315	134	Oklahoma G&E
751	10	—	1,591	2,342	4,715	0.69	7.1	862	93	Old Kent Financial

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Old Republic Intl/A C Zucaro	603	53	France	CUNY Queens, BS '62	finance	16	2
Olin/John W Johnstone Jr	428	59	Brooklyn NY	Hartwick, BA '54	marketing	13	5
Oracle Systems/Lawrence J Ellison[1]	455	47	New York NY		technical	15	15
Oryx Energy/Robert P Hauptfuhrer	247	60	Philadelphia PA	Princeton, BA '53/Harvard, MBA '57	finance	35	4
Owens-Corning/Glen H Hiner	232	57	Morgantown WV	West Virginia, BSEE '57	marketing	—[2]	—[2]
Owens-Illinois/Joseph H Lemieux	320	61	Providence RI	Bryant, BS '57	administration	35	2
Paccar/Charles M Pigott	567	63	Seattle WA	Stanford, BS '51	administration	36	24
Pacific Enterprises/Willis B Wood Jr	679	57	Kansas City MO	U of Tulsa, BS '57	operations	31	—[2]
Pacific G&E/Richard A Clarke	254	62	San Francisco CA	Calif Berkeley, AB '52/JD '55	legal	37	6
Pacific Telesis/Sam Ginn	156	55	St Clair AL	Auburn, BS '59	technical	32	4
PacifiCorp/Al M Gleason	140	62	Sheridan County KS		administration	43	3
PaineWebber Group/Donald B Marron	79	57	Goshen NY		finance	33	12
Pall/Maurice G Hardy	197	62	England	Merchant Ventures, BSME '49	administration	30	3
Panhandle Eastern/Dennis R Hendrix	243	52	Selmer TN	Tenn Knoxville, BS '62/Georgia St, MBA '67	administration	7	2
Paramount Commun/Martin S Davis	37	65	New York NY		administration	34	9
Parker Hannifin/Paul G Schloemer	363	63	Cincinnati OH	Cincinnati, BSME '51/Ohio St, MBA '55	operations	35	8
Penn Central/Carl H Lindner	463	73	Dayton OH		finance	9	5
Penn Traffic/Claude Incaudo	609	58	Detroit MI		operations	15	2
JC Penney/William R Howell	221	56	Claremore OK	Oklahoma, BBA '58	sales	34	9
Pennsylvania P&L/John T Kauffman	652	65	Weehawken NJ	Purdue, BS '50	technical	42	2
Pennzoil/James L Pate	539	56	Mt Sterling IL	Monmouth, AB '63/Indiana, JD '68	finance	16	2
People's Bank/David E A Carson	749	57	England	Michigan, BBA '55	insurance	9	7
Peoples Energy/Richard E Terry	715	54	Green Bay WI	St Norbert, BA '59/Wisconsin, LLB '64	legal	20	1
PepsiCo/D Wayne Calloway	174	56	Elkin NC	Wake Forest, BBA '59	finance	25	6
Pet/Miles L Marsh	549	44	South Africa	U of Cape Town, BA '70/Northwestern, PhD '76	finance	3	3
Pfizer/William C Steere Jr	167	55	Ann Arbor MI	Stanford, BA '59	marketing	33	1
Phelps Dodge/Douglas C Yearley	124	56	Oak Park IL	Cornell, BMetE '58	technical	32	3
PHH/Robert D Kunisch	589	50	Norwalk CT	NYU, BBA '63	marketing	26	4
Philadelphia Elec/Joseph F Paquette Jr	544	57	Norwood MA	Yale, BS '56	administration	36	4
Philip Morris Cos/Michael A Miles	196	52	Chicago IL	Northwestern, BS '61	marketing	10	1
Phillips Petroleum/C J Silas	118	60	Miami FL	Georgia Tech, BS '53	operations	39	7
PHM/William J Pulte[1]	596	60	Detroit MI		administration	42	1
Pinnacle West/Richard Snell	561	61	Phoenix AZ	Stanford, BA '52/JD '54	legal	2	2
Pioneer Hi-Bred Intl/Thomas N Urban	426	58	Des Moines IA	Harvard, BA '56/MBA '60	administration	32	11
Pitney Bowes/George B Harvey	314	61	New Haven CT	Pennsylvania, BS '54	finance	35	9
Pittston/Joseph C Farrell	590	56	Boston MA	Northeastern, BSEE '58/Harvard, MBA '63	finance	8	1
PNC Financial/Thomas H O'Brien	284	55	Pittsburgh PA	Notre Dame, BS '58/Harvard, MBA '62	banking	30	7
Polaroid/I MacAllister Booth	507	60	Atlanta GA	Cornell, BME '55/MBA '58	operations	34	6
Policy Management Sys/G Larry Wilson[1]	33	45	Greensboro NC	S Carolina, BS '68/MBA '70	administration	11	11
Potomac Electric/Edward F Mitchell	585	60	Harrisonburg VA	Virginia, BSEE '56/George Washington, MEA '60	technical	36	3
PPG Industries/Vincent A Sarni	199	63	Bayonne NJ	Rhode Island, BS '49	marketing	23	8
Premark Intl/Warren L Batts	60	59	Norfolk VA	Georgia Tech, BEE '61/Harvard, MBA '63	administration	12	6
Premier Bancorp/G Lee Griffin	742	53	Leavenworth KS	Texas, BS '60/Louisiana St, MS '52	banking	30	4

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$512	-5%	$3	$73	$593	NA	0.15%	$1.5	$1,375	$131	Old Republic Intl
788	6	166	—	954	$5,081	0.22	2.2	2,275	-13	Olin
900	-44	—	—	900	6,309	25.04	474.8	1,085	34	Oracle Systems
961	-2	545	—	1,506	7,283[4]	0.04	0.7	1,484	19	Oryx Energy
700[2]	NA	900	—	1,600	NA	0.48	7.2	2,783	-515	Owens-Corning
1,207	18	—	—	1,207	NA	0.16	2.4	3,575	-130	Owens-Illinois
630	-31	28	—	658	6,632	4.16	91.2	2,339	40	Paccar
480	NA	7	—	486[9]	NA	0.09	1.3	6,599	-88	Pacific Enterprises
1,444	31	27	—	1,471	4,340	—[6]	0.7	9,778	1,026	Pacific G&E
1,114	16	993	—	2,106	8,371	—[6]	0.6	9,895	1,015	Pacific Telesis
1,055	10	1,289	—	2,345	5,277[4]	0.03	1.7	4,007	507	PacifiCorp
3,600	279	—	—	3,600	10,288	1.32	11.1	3,166	151	PaineWebber Group
753	58	101	923	1,777	4,526[3]	0.17	2.6	669	81	Pall
0*	NA	1,553	—	1,553	NA	0.28	4.5	2,454	85	Panhandle Eastern
2,750	-25	2,303	—	5,053	42,045	1.23	67.6	4,069	148	Paramount Commun
775	-21	257	46	1,078	6,557	0.12	2.2	2,354	46	Parker Hannifin
875	19	—	—	875	3,708	—[6†]	—[7]	1,669	3	Penn Central
581	NA	—	—	581[8]	NA	0.38	0.7	2,730	-4	Penn Traffic
1,217	22	307	107	1,631	7,425	0.05	4.0	16,201	264	JC Penney
398	32	117	—	515	NA	0.01	0.5	2,560	348	Pennsylvania P&L
650	-2	54	—	704	NA	0.04	0.7	2,527	70	Pennzoil
340	0	19	—	359	2,008	0.13	0.2	617	-91	People's Bank
333	33	24	62	419	NA	0.06	0.5	1,117	71	Peoples Energy
1,912	1	5	—	1,916	8,390	0.20	55.4	19,608	1,080	PepsiCo
688[2]	NA	—	—	688	NA	0.34	7.1	1,878	102	Pet
1,113	—	38	843	1,994	NA	0.02	3.6	6,950	722	Pfizer
1,068	5	309	1,178	2,555	8,295[4]	0.18	5.3	2,434	273	Phelps Dodge
597	-20	—	18	615	3,684	0.23	1.4	1,997	48	PHH
696	38	—	—	696	2,403†	—[6]	0.2	3,976	535	Philadelphia Elec
1,777	NA	—	—	1,777	NA	0.01	8.9	48,064	3,927	Philip Morris Cos
1,386	19	12	1,317	2,715	9,896	0.18	11.0	12,604	98	Phillips Petroleum
600	—	—	—	600	NA	17.66	85.6	1,214	43	PHM
669	43	—	—	669	NA	0.05	0.7	1,475	-187	Pinnacle West
883	34	77	—	960	2,763	0.38	7.5	1,131	108	Pioneer Hi-Bred Intl
1,166	51	59	—	1,225	7,200	0.19	9.7	3,332	295	Pitney Bowes
600	NA	13	—	613	NA	0.02	0.1	1,929	-29	Pittston
1,294	75	47	—	1,341	5,313	0.04	2.1	4,377	390	PNC Financial
528	-18	236	—	765	3,276	0.02	0.2	2,071	684	Polaroid
557	-10	531	4,146	5,234	9,048	0.17	2.6	415	48	Policy Management Sys
608	36	13	—	621	1,582[3]	0.03	0.9	1,552	210	Potomac Electric
1,039	-34	422	286	1,747	10,655	0.05	3.6	5,673	201	PPG Industries
1,365	45	2,802	—	4,167	9,324	0.53	8.2	2,816	102	Premark Intl
360	32	11	—	371[8]	942[3]	0.29	0.6	376	15	Premier Bancorp

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Premier Industrial/Morton L Mandel[1]	686	70	Cleveland OH		administration	52	22
Price Co/Robert E Price[1]	776	49	San Diego CA	Pomona, BA '64	administration	16	16
Primerica/Sanford I Weill	7	59	New York NY	Cornell, BA '55	finance	6	6
Procter & Gamble/Edwin L Artzt	161	62	New York NY	Oregon, BS '51	marketing	38	2
Progressive/Peter B Lewis	153	58	Cleveland OH	Princeton, AB '55	insurance	37	27
Provident Life & Acc/Winston W Walker	437	48	Traverse City MI	Tulane, BS '65/Georgia, PhD '69	insurance	18	4
Public Service Colo/Delwin D Hock	725	57	Colorado Springs CO	Colorado, BS '56	finance	30	4
Public Service NH/Leon E Maglathlin Jr	786	66	Springfield MA	Cornell, BSEE '49	marketing	2	2
Pub Svc Enterprise/E James Ferland	451	50	Boston MA	Maine, BS '64/New Haven, MBA '76	technical	6	6
Puget Sound Bancorp/William W Philip	660	65	Tacoma WA		banking	41	20
Puget Sound P&L/John W Ellis	256	63	Seattle WA	Washington, BS '50/JD '53	legal	22	16
Quaker Oats/William D Smithburg	77	53	Chicago IL	DePaul, BS '60/Northwestern, MBA '61	marketing	26	11
Quantum Chemical/John Hoyt Stookey	597	62	New York NY	Amherst, BA '52	technical	22	6
Questar/R D Cash	632	49	Shamrock TX	Texas Tech, BS '66	technical	16	12
Ralston Purina/William P Stiritz	261	57	Jasper AR	Northwestern, BS '59/St Louis, MA '68	marketing	28	11
Raytheon/Dennis J Picard	318	59	Providence RI	Northeastern, BSEE '62	technical	37	1
Reader's Digest Assn/George V Grune	56	62	White Plains NY	Duke, AB '52	marketing	32	8
Reebok International/Paul B Fireman	128	48	Cambridge MA	Boston U	sales	13	13
Reliance Group/Saul P Steinberg[1]	24	52	New York NY	Pennsylvania, BS '61	finance	31	31
Republic New York/Walter H Weiner	393	61	Brooklyn NY	Michigan, BA '52/JD '53	legal	12	12
Reynolds Metals/Richard G Holder	517	60	Paris TN	Vanderbilt, BA '53	marketing	39	-[2]
Rhône-Poulenc Rorer/Robert E Cawthorn	302	56	England	Cambridge, BS '59	administration	10	7
Riggs National/Joe L Allbritton	356	67	D'Lo MS	Baylor, LLB '49	finance	11	11
Rite Aid/Alex Grass[1]	433	64	Scranton PA	Florida, LLB '49	legal	39	30
RJR Nabisco/Louis V Gerstner Jr	20	50	New York NY	Dartmouth, BA '63/Harvard, MBA '65	finance	3	3
Roadway Services/Joseph M Clapp	495	55	Greensboro NC	N Carolina, BS '58	sales	25	5
Rochester Community/Leonard S Simon	750	55	Passaic NJ	MIT, BS '58/Columbia, PhD '63	marketing	23	8
Rochester Telephone/Ronald L Bittner	748	50	Bethlehem PA	Muhlenberg, BA '63/Rochester, MBA '78	administration	29	-[2]
Rockwell Intl/Donald R Beall	106	53	Beaumont CA	San Jose State U, BS '60/Pittsburgh, MBA '61	administration	24	4
Rohm & Haas/J Lawrence Wilson	449	56	Rosedale MS	Vanderbilt, BE '58/Harvard, MBA '63	finance	27	4
Rose's Stores/George L Jones	720	41	Little Rock AR	Henderson State U, BS '72	operations	1	1
Rouse/Mathias J DeVito	479	61	Trenton NJ	Maryland, BA '54/LLB '56	legal	24	13
Rubbermaid/Walter W Williams	360	58	Utica NY	Syracuse, BS '61	sales	5	1
Russell/John C Adams	759	52	Ware Shoals SC	Georgia Tech, BS '60	technical	16	-[2]
Ryder System/M Anthony Burns	498	49	Las Vegas NV	Brigham Young, BS '64/Calif Berkeley, MBA '65	finance	18	9
Ryland Group/Roger W Schipke	325	55	St Louis MO	Washington, BS '58/NYU, MBA '61	sales	2	1
Safeco/Roger H Eigsti	563	50	Vancouver WA	Linfield, BS '64	finance	20	-[2]
Safety-Kleen/Donald W Brinckman[1]	557	61	Chicago IL	Northwestern, BS '54/MBA '59	marketing	24	24
Safeway/Peter A Magowan	307	50	New York NY	Stanford, BA '64/Oxford, MA '66	administration	24	12
St Jude Medical/Lawrence A Lehmkuhl	17	54	Preston IA	U of Iowa, BA '62	operations	7	7
St Paul Bancorp/Joseph C Scully[1]	543	51	Detroit MI	Loyola, BS '62/MBA '72	banking	29	10
St Paul Cos/Douglas W Leatherdale	271	55	Canada	U of Manitoba, BA '57	finance	20	2
Sallie Mae/Lawrence A Hough	206	48	Janesville WI	Stanford, BS '66/MIT, MS '72	finance	19	2

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary ($000)	+ bonus % change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$479	9%	—	—	$479	$2,056	19.30%	$365.7	$632	$73	Premier Industrial
270	12	—	—	270	1,218	2.80	44.2	6,890	137	Price Co
2,234	21	$220	$13,672	16,126	21,883	0.63	25.7	6,608	479	Primerica
1,684	17	—	372	2,056	5,801[3]	0.04	12.2	28,229	1,787	Procter & Gamble
1,203	-43	932	—	2,135	12,578	17.18	187.8	1,493	33	Progressive
937	26	—	—	937	2,389[4]	0.08	0.8	2,846	117	Provident Life & Acc
401	16	—	—	401	1,293[4]	0.03	0.4	1,795	150	Public Service Colo
103	NA	—	—	103	NA	—[6]	—[7]	540	53	Public Service NH
820	12	81	11	912	3,603	—[6]	0.6	5,093	544	Pub Svc Enterprise
502	11	8	—	510	2,216	1.02	7.9	500	49	Puget Sound Bancorp
487	4	425	546	1,458	3,036	0.03	0.5	957	133	Puget Sound P&L
1,405	30	1,454	799	3,657	17,466	0.44	17.2	5,570	257	Quaker Oats
571	-26	28	—	599	14,321	0.16	0.6	2,486	-123	Quantum Chemical
474	12	10	61	545	1,963	0.18	1.4	632	64	Questar
1,198	3	248	—	1,446	23,608	0.87	46.6	7,448	387	Ralston Purina
1,208	—	8	—	1,217	NA	0.16	9.8	9,274	592	Raytheon
1,319	11	2,955	—	4,274	13,729[3]	0.26	13.9	2,465	221	Reader's Digest Assn
2,007	-86	518	—	2,525	58,831	18.34	522.0	2,734	235	Reebok International
6,314	1	164	—	6,478[8]	26,624	60.23	196.4	3,392	-148	Reliance Group
1,020	7	6	—	1,026	3,895	0.07	1.4	2,535	227	Republic New York
725	NA	23	—	748[9]	NA	0.08	2.7	5,730	154	Reynolds Metals
1,275	21	3	—	1,278	9,690	0.04	3.0	3,824	327	Rhone-Poulenc Rorer
990	-31	105	—	1,095	5,623	34.39	58.5	581	-66	Riggs National
925	16	—	21	946	4,223	2.52	46.5	3,670	118	Rite Aid
3,179	5	3,791	—	6,970	NA	0.21	22.9	14,989	368	RJR Nabisco
767	8	17	—	784	2,828	0.18	5.1	3,177	127	Roadway Services
324	-27	24	—	348	1,881	0.28	0.3	419	-31	Rochester Community
336	NA	25	—	361	NA	0.02	0.2	703	73	Rochester Telephone
1,517	2	1,448	—	2,965	17,234	0.17	9.6	11,550	582	Rockwell Intl
771	2	144	—	914	3,437[4]	0.11	3.8	2,763	163	Rohm & Haas
355[5]	NA	54	—	409	NA	—[6]	—[7]	1,391	-23	Rose's Stores
841	4	—	—	841	4,202	1.46	10.5	573	2	Rouse
826	—	266	—	1,091	NA	0.14	7.2	1,667	163	Rubbermaid
252	NA	—	74	326[9]	NA	0.17	2.6	805	57	Russell
764	-2	18	—	782	4,714	0.07	1.3	5,061	14	Ryder System
518	NA	669	—	1,187	NA	1.21	3.1	1,214	10	Ryland Group
369	NA	107	191	668[9]	NA	0.05	1.3	3,148	260	Safeco
536	-16	25	113	675	4,475	0.95	15.4	695	52	Safety-Kleen
1,264	-10	—	—	1,264	7,176	0.72	10.7	15,119	79	Safeway
574	27	24	7,053	7,650	13,221	0.55	11.8	210	84	St Jude Medical
696	90	—	—	696	2,765	1.92	3.8	344	27	St Paul Bancorp
954	0	392	43	1,390	3,542[3]	0.08	2.4	4,352	405	St Paul Cos
778	27	922	—	1,700	NA	0.10	5.9	3,257	345	Sallie Mae

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 27, 1992. [3]Three-year total. [4]Four-year total. [5]Paid to date. [6]Less than 0.01%. [7]Less than $100,000. [8]Prior-year data. [9]New CEO; cash compensation is for another executive office. NA: Not available.

Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Salomon/Warren E Buffett	790	61	Omaha NE	Nebr Lincoln, BS '50/Columbia, MS '51	finance	1	1
San Diego G&E/Thomas A Page	460	59	Niagara Falls NY	Purdue, BS '55/MBA '63	technical	14	11
Santa Fe Pacific/Robert D Krebs	505	50	Sacramento CA	Stanford, BA '64/Harvard, MBA '66	operations	26	5
Sara Lee/John H Bryan	63	55	West Point MS	Rhodes C, BA '58	administration	32	17
Scana/Lawrence M Gressette Jr	602	60	St Matthews SC	Clemson, BS '54/S Carolina, LLB '59	legal	9	2
SCEcorp/John E Bryson	419	48	New York NY	Stanford, BA '65/Yale, JD '69	legal	8	2
Schering-Plough/Robert P Luciano	89	58	New York NY	CUNY City, BBA '54/Michigan, JD '58	legal	14	10
Charles Schwab/Charles R Schwab[1]	103	55	Sacramento CA	Stanford, BA '59/MBA '61	finance	18	14
Scott Paper/Philip E Lippincott	530	56	Camden NJ	Dartmouth, BA '57/Michigan St, MBA '64	operations	33	10
EW Scripps/Lawrence A Leser	464	57	Cincinnati OH	Xavier, BS '57	finance	24	7
Seagate Technology/Alan F Shugart[1]	327	61	Los Angeles CA	Redlands, BS '53	technical	13	13
Sears, Roebuck/Edward A Brennan	132	58	Chicago IL	Marquette, BS '55	sales	36	6
Sequa/Norman E Alexander	266	77	New York NY	Columbia, BA '34	legal	42	35
Service Corp Intl/Robert L Waltrip[1]	14	61	Austin TX	Houston, BBA '54	operations	30	30
Service Merchandise/Raymond Zimmerman[1]	454	59	Memphis TN		administration	32	19
SFFed Corp/Roger L Gordon	739	50	Neosho MO		banking	30	2
Shaw Industries/Robert E Shaw	216	60	Cartersville GA		sales	32	30
Shawmut National/Joel B Alvord	504	53	Manchester CT	Dartmouth, AB '60/MBA '61	banking	29	6
Sherwin-Williams/John G Breen	176	57	Cleveland OH	John Carroll, BS '56/Case Western Res, MBA '61	marketing	13	13
ShopKo Stores/Dale P Kramer	770	53	Joliet IL	Purdue, BS '61	marketing	21	1
Sigma-Aldrich/Carl T Cori	300	55	St Louis MO	Wisconsin, BS '59/Washington, PhD '69	technical	22	9
Signet Banking/Robert M Freeman	688	51	Richmond VA	Virginia, BS '63	banking	21	3
Smith's Food & Drug/Jeffrey P Smith	330	42	Brigham City UT		operations	22	4
Snap-on Tools/Robert A Cornog	740	52	Philadelphia PA	Ill Tech, BS '61/Chicago, MBA '66	technical	1	1
Society/Robert W Gillespie	267	48	Cleveland OH	Ohio Wesleyan, BA '66/Case Western Res, MBA '68	banking	24	5
Society for Savings/Lawrence Connell	778	55	New York NY	Harvard, BA '58/Georgetown, JD '66	banking	1	1
Sonat/Ronald L Kuehn Jr	352	57	Queens NY	Fordham, BA '57/LLB '64	legal	22	8
Sonoco Products/Charles W Coker	552	59	Hartsville SC	Princeton, BA '55/Harvard, MBA '57	administration	34	22
Southern Co/Edward L Addison	389	62	Cottageville SC	S Carolina, BEE '50	technical	38	9
Southern Natl/L Glenn Orr Jr	592	52	Charlotte NC	Wofford, BA '62/S Carolina, MBA '63	banking	20	2
So New Eng Telecom/Walter H Monteith Jr	700	61	Framingham MA	Amherst, BA '52	sales	38	8
SouthTrust/Wallace D Malone Jr	408	55	Dothan AL	Alabama, BS '57/Pennsylvania, MS '59	banking	33	11
Southwest Airlines/Herbert D Kelleher	574	61	Camden NJ	Wesleyan, BA '53/NYU, LLB '56	legal	25	11
Southwest Gas/Kenny C Guinn	734	55	Garland AR	Cal St Fresno, BA '58/Utah, PhD '69	administration	5	4
Southwestern Bell/Edward E Whitacre Jr	125	50	Ennis TX	Texas Tech, BSIE '64	technical	29	2
Southwestern Pub Svc/Bill D Helton	753	53	Wheeler TX	Texas Tech, BSEE '64	technical	28	2
Spiegel/John J Shea	373	54	Newark NJ	La Salle, BS '59/Pittsburgh, MS '60	marketing	12	7
Springs Industries/Walter Y Elisha	459	59	Gary IN	Wabash, BA '54/Harvard, MBA '65	administration	12	11
Sprint/William T Esrey	126	52	Philadelphia PA	Denison, BA '61/Harvard, MBA '64	administration	12	7
Standard Fedl Bank/Thomas R Ricketts	501	61	Detroit MI	Michigan, BBA '53/JD '56	legal	36	18
Stanley Works/Richard H Ayers	448	49	Newton MA	MIT, BS '65/MS '65	operations	20	5
Star Banc/Oliver W Waddell	611	61	Covington KY	Duke, BA '54/Kentucky, JD '69	banking	35	9
State Street Boston/Marshall N Carter	—	52	Newport News VA	US Military Acad, BSCE '62/Geo Washington, MA '76	operations	1	–[2]

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
0	NA	—	—	0	NA	—[6*]	—[7]	$9,175	$507	Salomon
$724	1%	$164	—	$888	$4,023	0.12%	$2.8	1,789	208	San Diego G&E
766	39	4	—	770	5,456	0.09	2.1	2,360	96	Santa Fe Pacific
1,751	25	2,288	—	4,039	21,401	0.29	35.2	12,651	715	Sara Lee
554	33	42	—	595	1,346[3]	0.02	0.3	1,148	136	Scana
810	60	158	—	968	NA	—[6]	—[7]	7,502	703	SCEcorp
1,900	12	1,505	—	3,405	19,767	0.01	1.3	3,616	646	Schering-Plough
2,987	60	4	—	2,991	13,130	25.95	275.5	795	50	Charles Schwab
600	–1	—	$122	722	6,379	0.04	1.4	4,977	–70	Scott Paper
868	2	7	—	875	4,922	0.07	1.4	1,300	65	EW Scripps
1,179	–16	—	—	1,179	8,587	1.10	11.1	2,669	–11	Seagate Technology
980	0	804	680	2,464	9,839	0.04	6.8	57,242	1,279	Sears, Roebuck
1,211	–20	—	199	1,410	7,026	38.62	139.9	1,879	–7	Sequa
1,906	21	6,358	—	8,264	12,424	1.48	18.9	643	73	Service Corp Intl
755	1	147	—	902	5,238	6.08	58.8	3,400	76	Service Merchandise
360	49	15	—	375	805[3]	0.12	0.1	327	15	SFFed Corp
1,590	9	53	—	1,644	5,939	10.09	144.0	1,619	36	Shaw Industries
650	0	122	—	772	6,732	0.22	2.6	2,344	–171	Shawmut National
1,078	0	419	417	1,914	7,698	0.65	15.8	2,541	128	Sherwin-Williams
283	NA	13	—	295	NA	0.03	0.1	1,586	49	ShopKo Stores
821	–18	475	—	1,296	6,206	0.25	5.2	589	80	Sigma-Aldrich
462	9	13	—	476	1,713[3]	0.23	2.2	1,305	–26	Signet Banking
1,170	28	—	—	1,170	3,345[4]	8.45	89.9	2,217	45	Smith's Food & Drug
375[2]	NA	—	—	375	NA	0.01	0.2	882	73	Snap-on Tools
950	24	215	238	1,403	4,864	0.03	1.0	1,609	163	Society
250[2]	NA	—	—	250	NA	—[6]	—[7]	403	–65	Society for Savings
900	–3	207	—	1,107	5,073	0.08	1.1	1,421	66	Sonat
676	–18	10	—	686	5,302	1.23	21.6	1,697	95	Sonoco Products
972	14	62	—	1,034	4,155	0.01	1.1	8,050	876	Southern Co
498	37	113	—	611	NA	0.32	1.1	363	31	Southern Natl
440	–23	11	—	450	2,949	0.03	0.5	1,633	126	So New Eng Telecom
765	54	66	168	999	3,695	1.18	12.3	933	90	SouthTrust
459	–2	3	184	645	2,834	1.03	16.8	1,314	27	Southwest Airlines
395	–16	—	—	395	2,200[4]	0.35	1.0	795	–14	Southwest Gas
1,380	0	1,167	—	2,547	6,208[3]	0.02	4.5	9,332	1,157	Southwestern Bell
331	—	7	—	337	NA	0.02	0.3	731	109	Southwestern Pub Svc
859	–11	200	—	1,059	5,013	0.04	0.3	1,976	17	Spiegel
816	74	72	—	889	4,645	0.34	2.3	1,890	27	Springs Industries
1,083	–5	135	1,325	2,544	8,117	0.06	3.3	8,780	368	Sprint
776	6	—	—	776	3,167	0.12	0.7	874	66	Standard Fedl Bank
679	–13	238	—	917	4,463	0.10	1.8	1,962	95	Stanley Works
572	11	8	—	580	2,483	0.08	0.8	659	66	Star Banc
NA	NA	—	—	—	NA	—[5]	—[7]	1,302	139	State Street Boston

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 27, 1992. [2]Annualized salary. [3]Three-year total. [4]Four-year total. [6]Less than 0.01%. [7]Less than $100,000. NA: Not available. *Owns 42% of Berkshire Hathaway, which owns 14% of Salomon.

Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Stone Container/Roger W Stone	165	57	Chicago IL	Pennsylvania, BS '57	marketing	35	13
Stop & Shop Cos/Lewis G Schaeneman Jr	346	62	Springfield MA	Cornell, BS '52/Harvard, MBA '56	marketing	26	3
Storage Technology/Ryal R Poppa	287	58	Wahpeton ND	Claremont Mens C, BBA '57	administration	7	7
Stride Rite/Ervin R Shames	297	51	Des Moines IA	Florida, BS '62/Harvard, MBA '66	marketing	2	2
Stryker/John W Brown	646	57	Paris TN	Auburn, BS '57	administration	15	15
Sumitomo Bank Calif/Tadaichi Ikagawa	780	53	Japan	U of Kyoto, BA '61	banking	31	1
Summit Bancorp/Thomas D Sayles Jr	722	60	Newton Center MA	Dartmouth, BA '54/NYU, MBA '61	banking	22	19
Sun Co/Robert H Campbell	683	54	Pittsburgh PA	Princeton, BS '59/MIT, MBA '78	technical	32	1
Sun Microsystems/Scott G McNealy[1]	237	37	Columbus IN	Harvard, BA '76/Stanford, MBA '80	operations	10	8
Sundstrand/Harry C Stonecipher	365	56	Scott County TN	Tennessee Tech, BS '60	technical	5	3
SunTrust Banks/James B Williams	375	59	Sewanee TN	Emory, AB '55	banking	35	2
Sunwest Financial/Ike Kalangis	773	55	Santa Fe NM	Hardin-Simmons, BBA '60	banking	21	3
Super Food Services/Jack Twyman	394	58	Pittsburgh PA	Cincinnati, BBA '55	administration	22	19
Super Valu Stores/Michael W Wright	319	53	Minneapolis MN	Minnesota, BA '61/JD '63	legal	15	11
Surgical Care Affils/Joel C Gordon[1]	27	63	Crofton KY	Kentucky, BS '51	administration	10	5
Sysco/John F Woodhouse	310	61	Wilmington DE	Wesleyan, BA '53/Harvard, MBA '55	finance	23	9
T2 Medical/Thomas E Haire	78	47	NA	Central Michigan U, BS '66	sales	8	3
Tambrands/Martin F C Emmett	655	57	South Africa	Witwatersrand, BS '57/Queens U, MBA '62	banking	3	3
Tandem Computers/James G Treybig[1]	697	51	Clarendon TX	Rice, BS '63/Stanford, MBA '68	administration	17	17
Tandy/John V Roach	489	53	Stamford TX	Texas Christian, BA '61/MBA '65	operations	25	11
TCF Financial/William A Cooper	477	48	Detroit MI	Wayne State, BS '67	finance	7	7
TECO Energy/Timothy L Guzzle	425	55	Ottumwa IA	Oklahoma, BS '58/Texas Christian, PhD '65	technical	4	3
Tektronix/Jerome J Meyer	492	54	Caledonia MN	Minnesota, BA '60	operations	2	2
Tele-Communications/John C Malone	4	51	Milford CT	Yale, BS '63/Johns Hopkins, PhD '67	administration	19	19
Teledyne/William P Rutledge	554	50	Pittston PA	Lafayette, BS '63/George Washington, MS '67	operations	6	1
Temple-Inland/Clifford J Grum	98	57	Davenport IA	Austin, BA '56/Pennsylvania, MBA '58	finance	24	8
Tenneco/Michael H Walsh	116	49	Binghamton NY	Stanford, BA '64/Yale, LLB '69	legal	1	–[2]
Texaco/James W Kinnear	87	64	Pittsburgh PA	US Naval Acad, BS '50	sales	38	5
Texas Instruments/Jerry R Junkins	584	54	Fort Madison IA	Iowa St, BS '59/Southern Methodist, MS '68	operations	33	7
Texas Utilities/Jerry S Farrington	540	57	Burkburnett TX	U of North Texas, BBA '55/MBA '58	administration	35	5
Textron/James F Hardymon	202	57	Maysville KY	Kentucky, BS '56/MS '58	marketing	2	–[2]
Time Warner/Steven J Ross	88	64	Brooklyn NY		finance	30	30
Times Mirror/Robert F Erburu	245	61	Ventura CA	USC, BA '52/Harvard, JD '55	legal	31	11
Timken/William R Timken Jr	687	53	Canton OH	Stanford, BA '60/Harvard, MBA '62	operations	30	17
TJX Cos/Bernard Cammarata	102	52	Brooklyn NY		sales	16	3
Torchmark/Ronald K Richey	146	65	Erie KS	Washburn, BA '49/JD '51	insurance	28	7
Tosco/Thomas D O'Malley	445	50	New York NY	Manhattan, BBA '63	finance	4	2
Toys 'R' Us/Charles Lazarus[1]	6	68	Washington DC		administration	36	36
Transamerica/Frank C Herringer	291	49	New York NY	Dartmouth, AB '64/MBA '65	administration	13	1
Transco Energy/John P DesBarres	130	52	Northbridge MA		technical	1	1
Travelers/Edward H Budd	424	59	Zanesville OH	Tufts, BS '55	insurance	37	11
Tribune/Charles T Brumback	119	63	Toledo OH	Princeton, BA '50	finance	35	2
Trinova/Darryl F Allen	643	48	Detroit MI	Michigan St, BA '65/Michigan, MBA '66	finance	20	6

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$804	–32%	$1,206	—	$2,010	$6,686	2.39%	$48.9	$5,384	$–49	Stone Container
1,120	NA	—	—	1,120[8]	NA	0.19	1.4	5,010	32	Stop & Shop Cos
1,329	10	7	—	1,336	6,163	0.90	17.1	1,585	93	Storage Technology
944	60	357	—	1,301	NA	0.04	0.5	574	66	Stride Rite
500	14	22	—	522	2,068	4.75	81.4	365	33	Stryker
233	–24	8	—	241	NA	0.06	0.1	517	43	Sumitomo Bank Calif
394	–33	11	—	405	3,500	0.77	2.5	351	21	Summit Bancorp
454	NA	28	—	482	NA	0.01	0.4	10,183	–387	Sun Co
1,572	12	—	—	1,572	4,680	1.77	45.2	3,455	199	Sun Microsystems
946	2	130	—	1,076	2,759[3]	0.38	6.1	1,669	109	Sundstrand
602	37	303	$151	1,056	2,561[3]	0.34	16.2	3,361	371	SunTrust Banks
275	10	7	—	282	721[3]	0.12	0.4	320	12	Sunwest Financial
681	–8	77	268	1,026	4,239	1.84	2.1	1,842	11	Super Food Services
893	–1	—	317	1,210	5,273	0.21	4.1	10,744	207	Super Valu Stores
563	23	—	5,380	5,943	8,731[4]	5.91	70.2	170	21	Surgical Care Affils
1,067	–5	—	174	1,241	5,189	0.35	15.9	8,469	162	Sysco
430	10	—	3,180	3,610	6,088[3]	0.84	9.8	166	39	T2 Medical
503	–32	11	—	514	2,426[3]	0.17	4.1	661	79	Tambrands
453	–17	3	—	456	3,486	0.64	9.2	1,933	–67	Tandem Computers
723	–17	81	—	804	4,706	0.09	2.1	4,515	176	Tandy
702	58	140	—	842	2,906	2.14	4.3	437	12	TCF Financial
562	7	14	384	960	2,017[3]	—[6]	—[7]	1,154	145	TECO Energy
792	NA	1	—	793	NA	0.11	0.6	1,311	45	Tektronix
454	0	15	18,480	18,949	20,642	0.25	17.7	3,792	–200	Tele-Communications
683	—	—	—	683	NA	—[6]	—[7]	3,207	–25	Teledyne
700	–12	527	1,909	3,136	11,998	0.51	15.3	2,507	138	Temple-Inland
300	NA	2,427	—	2,727	NA	0.06	2.7	13,662	–732	Tenneco
1,667	–14	507	1,241	3,415	13,399	0.05	7.8	37,271	1,294	Texaco
604	1	12	5	621	4,256	0.05	1.3	6,784	–409	Texas Instruments
658	0	43	—	701	2,891	—[6]	0.5	4,893	–410	Texas Utilities
1,547	NA	166	18	1,731[9]	NA	0.05	1.4	7,840	300	Textron
3,263	–32	146	—	3,410[8]	138,034	0.31	29.4	12,021	–99	Time Warner
909	3	613	—	1,522	8,142	0.22	10.4	3,614	82	Times Mirror
472	–17	7	—	479	2,435	13.17	111.0	1,647	–36	Timken
823	13	2,176	—	2,999[8]	4,821[3]	0.30	3.5	2,758	20	TJX Cos
2,110	15	104	—	2,214	21,227	1.09	31.3	1,932	247	Torchmark
915	–58	8	—	923	NA	3.02	24.8	1,980	75	Tosco
5,372	2	8	11,046	16,426[8]	89,233	0.29	27.8	6,124	340	Toys 'R' Us
1,100	—	119	110	1,329	NA	0.05	1.8	6,815	99	Transamerica
718	NA	1,777	—	2,495	NA	0.26	0.8	2,739	–167	Transco Energy
923	32	39	—	962	5,076	0.13	2.8	11,377	307	Travelers
869	1	763	1,028	2,660	NA	0.17	5.1	2,035	142	Tribune
505	3	22	—	527	4,084	—[6]	—[7]	1,681	–184	Trinova

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Trustmark/Frank R Day	752	54	Aberdeen MS	Mississippi, BA '53	banking	34	11
TRW/Joseph T Gorman	299	55	Rising Sun IN	Kent State, BA '60/Yale, LLB '62	legal	24	3
Turner Broadcasting/Robert E Turner[1]	442	53	Cincinnati OH		sales	29	29
Turner Corp/Alfred T McNeill	718	55	Elizabeth NJ	Lehigh, BS '58	technical	34	3
TW Holdings/Jerome J Richardson	321	55	Spring Hope NC	Wofford, BA '59	administration	31	3
20th Century Inds/Louis W Foster[1]	404	79	Newberry MI	Stanford, BA '35	insurance	36	36
Tyco Laboratories/John F Fort	48	50	New York NY	Princeton, BS '63/MIT, MS '66	technical	27	9
Tyson Foods/Leland Tollett	446	55	Nashville AR	Arkansas, BSA '58/MSA '59	operations	33	1
UAL/Stephen M Wolf	111	50	Oakland CA	San Francisco State, BA '65	operations	4	4
UJB Financial/T Joseph Semrod	390	55	Oklahoma City OK	Oklahoma, BA '58/JD '63	banking	11	11
Unifi/William T Kretzer	107	45	Pittsburgh PA	N Carolina St, BA '68	sales	21	7
Union Bank/Taisuke Shimizu	721	56	Japan	Tokyo, BS '59	banking	7	2
Union Camp/Raymond E Cartledge	378	62	Pensacola FL	Alabama, BBA '52	sales	36	6
Union Carbide/Robert D Kennedy	486	59	Pittsburgh PA	Cornell, BME '55	operations	37	6
Union Electric/William E Cornelius	506	60	Salt Lake City UT	Missouri, BS '53/Washington, MLA '83	finance	30	8
Union Pacific/Drew Lewis	39	60	Philadelphia PA	Haverford, BS '53/Harvard, MBA '55	finance	6	5
Union Planters/Benjamin W Rawlins Jr	502	54	Murfreesboro TN	Vanderbilt, BA '61/Georgia St, MBA '69	banking	18	8
Union Texas Petrol/A Clark Johnson	173	61	Philadelphia PA	Haverford, BA '52/Pennsylvania, MBA '54	marketing	24	8
Unisys/James A Unruh	412	51	Goodrich ND	Jamestown, BSBA '63/Denver, MBA '64	finance	12	2
United HealthCare/William W McGuire	15	44	Troy NY	Texas, BA '70/U of Texas Galveston, MD '74	medical	4	1
United Missouri Bcsh/R Crosby Kemper	633	65	Kansas City MO		banking	42	22
US Bancorp/Roger L Breezley	572	54	Williston ND	North Dakota, BA '60	finance	15	5
US Healthcare/Leonard Abramson[1]	239	59	Philadelphia PA	Penn St, BA '54/Nova, MPA '78	technical	16	16
US Shoe/Bannus B Hudson	524	46	Fort Scott KS	Kansas, BS '68	marketing	7	2
US Surgical/Leon C Hirsch[1]	3	64	Bronx NY		technical	28	28
US Trust/H Marshall Schwarz	439	55	New York NY	Harvard, BA '58/MBA '61	banking	25	2
United Technologies/Robert F Daniell	292	58	Milton MA	Boston U, AS '54	operations	36	6
Unitrin/Richard C Vie	763	54	St Louis MO		insurance	9	–[2]
Universal/Henry H Harrell	628	52	Richmond VA	Washington & Lee, BA '61	administration	18	4
Unocal/Richard J Stegemeier	444	64	Alton IL	Missouri, BS '50/Texas A&M, MS '51	technical	41	4
UNUM/James F Orr III	133	49	Minneapolis MN	Villanova, BS '65/Boston U, MBA '70	banking	6	5
Upjohn/Theodore Cooper	168	63	Trenton NJ	Georgetown, BS '49/St Louis, PhD '56	medical	12	5
US West/Richard D McCormick	263	51	Fort Dodge IA	Iowa St, BSEE '61	operations	7	1
USAir Group/Seth E Schofield	441	52	Staffordville CT			35	1
USF&G/Norman R Blake Jr	241	50	New York NY	Purdue, BA '64/MA '66	finance	2	2
USG/Eugene B Connolly	675	60	New York NY	Hofstra, BS '54/MBA '64	marketing	34	2
Uslico/Charles V Giuffra	578	56	Brooklyn NY	Fordham, BA	insurance	26	4
USLife/Gordon E Crosby Jr	231	71	Remsen IA	Missouri, BS '46	marketing	33	26
UST Inc/Louis F Bantle	34	63	Bridgeport CT	Syracuse, BS '51	marketing	30	19
USX-Marathon/Charles A Corry	157	60	Cincinnati OH	Cincinnati, BA '55/JD '59	administration	33	3
USX-US Steel/Charles A Corry	157	60	Cincinnati OH	Cincinnati, BA '55/JD '59	administration	33	3
UtiliCorp United/Richard C Green Jr	462	38	Kansas City MO	Southern Methodist, BSBA '76	finance	16	7
Valero Energy/William E Greehey	250	55	Fort Dodge IA	St Mary's University, BBA '60	finance	29	18

[1]Company founder. [2]New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$335	0%	$6	—	$341	$1,605	4.45%	$13.5	$348	$28	Trustmark
1,099	7	57	$141	1,297	4,794[4]	0.10	3.2	7,913	–140	TRW
793	17	132	—	925[8]	3,034	58.77	1,942.5	1,480	43	Turner Broadcasting
365	–14	46	—	411	1,499[4]	0.50	0.3	2,672	11	Turner Corp
1,145	6	51	—	1,196	6,974[3]	3.66	16.4	3,618	–68	TW Holdings
1,000	–29	—	—	1,000	4,390	9.20	87.4	907	104	20th Century Inds
1,200	0	3,330	—	4,530	20,268	1.81	31.1	3,077	98	Tyco Laboratories
893	—	28	—	921	NA	1.51	34.7	3,978	149	Tyson Foods
575	–50	2,258	—	2,833	29,419	0.39	11.7	11,663	–332	UAL
729	5	301	—	1,030	5,620	0.43	3.3	1,236	22	UJB Financial
861	79	23	2,065	2,949	5,614	0.55	9.0	1,012	48	Unifi
405	9	4	—	409	NA	0.01	—[7]	1,633	94	Union Bank
759	–5	97	195	1,051	4,500	0.07	2.5	2,967	125	Union Camp
808	–43	—	—	808	9,756	0.06	2.0	4,877	–9	Union Carbide
660	19	108	—	768	2,883	0.02	0.7	2,097	322	Union Electric
2,025	6	738	2,131	4,894	16,387	0.11	10.5	7,029	64	Union Pacific
577	29	197	—	774	3,104	0.85	2.3	398	28	Union Planters
853	0	—	1,076	1,929	7,031	0.06	0.9	977	280	Union Texas Petrol
990	70	3	—	993	2,016[3]	—[6]	0.1	8,696	–1,393	Unisys
1,094	NA	—	6,891	7,985	NA	0.27	6.7	824	75	United HealthCare
530	–6	14	—	544	2,861	9.04	49.0	397	40	United Missouri Bcsh
623	5	25	—	648	3,585	0.01	0.2	2,014	196	US Bancorp
1,390	33	177	—	1,567[8]	5,300	13.96	447.6	1,664	151	US Healthcare
733	NA	3	—	736	NA	0.11	0.8	2,726	40	US Shoe
1,779	19	718	20,784	23,281	39,994	3.98	221.1	844	91	US Surgical
763	58	140	29	931	NA	0.27	1.1	405	31	US Trust
1,166	–15	147	—	1,313	8,040	0.09	5.7	20,840	–1,021	United Technologies
311	NA	—	—	311[9]	NA	—[6]	—[7]	1,255	137	Unitrin
535	11	16	—	551	1,895[4]	0.13	1.1	2,907	70	Universal
913	–23	11	—	924	5,344[4]	0.05	2.5	9,685	73	Unocal
1,077	5	8	1,377	2,463	6,995	0.16	3.5	2,421	205	UNUM
1,332	–1	206	441	1,979	9,981	0.10	5.9	3,426	537	Upjohn
660	—	439	336	1,435	NA	0.03	4.5	10,577	553	US West
467	NA	461	—	928	NA	0.23	1.3	6,514	–305	USAir Group
1,347	NA	214	—	1,561	NA	0.06	0.5	4,134	–176	USF&G
475	18	17	—	492	1,315[3]	0.51	0.4	1,712	–161	USG
590	–25	45	—	635	2,545[4]	0.56	1.1	393	11	Unisco
1,169	8	396	36	1,602	6,491	0.96	6.3	1,383	75	USLife
2,441	9	13	2,705	5,159	16,921	1.05	68.1	879	266	UST Inc
1,313	–18	543	242	2,098	5,038[3]	0.03	1.7	12,313	–71	USX-Marathon
1,313	–18	543	242	2,098	5,038[3]	0.03	0.4	4,864	–507	USX-US Steel
591	6	15	276	882	2,510	1.25	11.5	1,075	74	UtiliCorp United
1,097	12	138	256	1,491	NA	0.70	8.5	1,012	99	Valero Energy

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Company/Chief executive	Rank among 800 execs	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Valley Bancorp/Peter M Platten III	684	52	Green Bay WI	Wisconsin, BBA '62	banking	27	3
Valley National/Richard J Lehmann	625	48	Portland OR	Washington, BA '66/MBA '68	banking	4	2
Varity/Victor A Rice	510	50	England		finance	22	12
VF/Lawrence R Pugh	253	59	White Plains NY	Colby, BBA '56	marketing	12	10
Viacom/Frank J Biondi Jr	201	47	New York NY	Princeton, BA '66/Harvard, MBA '68	administration	5	5
Vons Cos/Roger E Stangeland	397	62	Chicago IL	Illinois, BS '51	sales	32	8
Vulcan Materials/Herbert A Sklenar	473	60	Omaha NE	Nebr Omaha, BS '52/Harvard, MBA '54	finance	20	6
Waban/John F Levy	465	45	Newton MA	Trinity College CT, BA '69/Harvard, MBA '73	journalism	19	6
Wachovia/John G Medlin Jr	467	58	Benson NC	N Carolina, BS '56	banking	33	15
Wal-Mart Stores/David D Glass	518	56	Mountainview MO	SW Missouri St, BS '59	finance	16	4
Walgreen/Charles R Walgreen III	278	56	Chicago IL	Michigan, BS '58	operations	40	21
Wang Laboratories/Richard W Miller	404	51	Buffalo NY	Case Western Res, BA '67/Harvard, MBA '70	administration	3	2
Warner-Lambert/Melvin R Goodes	95	57	Canada	Queens U, BA '57/Chicago, MBA '60	administration	27	1
Washington Fedl S&L/Elliot K Knutson	286	68	Norma ND		banking	30	10
Washington Mutual/Kerry K Killinger	573	42	Des Moines IA	U of Iowa, BBA '70/MBA '71	finance	16	2
Washington Post/Donald E Graham	736	46	Baltimore MD	Harvard, BA '66	journalism	21	1
Washington Water/Paul A Redmond	738	55	Lakeview OR	Gonzaga, BS '65	operations	27	8
Waste Management/Dean L Buntrock[1]	74	60	Columbia SD	St Olaf, BA '55	administration	36	24
Weis Markets/Sigfried Weis	690	76	Selinsgrove PA	Yale, BA '38	sales	54	32
Wells Fargo/Carl E Reichardt	434	60	Houston TX	USC, BA '56	banking	22	9
West One Bancorp/Daniel R Nelson	726	54	Spokane WA	Washington St, BBA '62	banking	8	6
Western Capital Inv/Robert J Malone	705	47	Los Angeles CA	Loyola, BA '66/USC, MBA '69	banking	2	2
Westinghouse/Paul E Lego	553	62	Sandy Ridge PA	Pittsburgh, BSEE '56/MSEE '58	technical	36	2
Westvaco/John A Luke	302	66	Tyrone PA	Yale, AB '49	operations	43	4
Wetterau/Ted C Wetterau	343	64	St Louis MO	Westminster, BA '52	marketing	40	22
Weyerhaeuser/John W Creighton Jr	634	59	Pittsburgh PA	Ohio St, BS '54/JD '57	administration	22	1
Whirlpool/David R Whitwam	219	50	Stanley WI	Wisconsin, BS '67	marketing	24	5
Whitman/James W Cozad	75	65	Huntington IN	Indiana, BS '50	finance	2	2
Whitney Holding/William L Marks	727	49	Florence AL	Wake Forest, BA '66	banking	2	2
Willamette Inds/William Swindells	537	61	Oakland CA	Stanford, BS '53	operations	39	10
Williams Cos/Joseph H Williams	240	58	Tulsa OK	Yale, BA '56	operations	33	13
Wilmington Trust/Bernard J Taylor II	484	66	Philadelphia PA	Pennsylvania, BS '49	banking	13	13
Winn-Dixie Stores/A Dano Davis	413	46	New Rochelle NY		sales	24	10
Wisconsin Energy/Richard A Abdoo	692	48	Port Huron MI	Dayton, BSEE '65/U of Detroit, MA '69	technical	17	1
Witco/William R Toller	345	61	Fort Smith AR	Arkansas, BA '56	finance	8	2
Woolworth/Harold E Sells	51	63	Ozark AR		sales	47	5
Worthington Inds/John H McConnell[1]	676	69	New Manchester WV	Michigan, BA '49	marketing	37	37
WPL Holdings/Erroll B Davis Jr	765	47	Pittsburgh PA	Carnegie-Mellon, BSEE '65/Chicago, MBA '67	finance	14	2
Wm Wrigley Jr/William Wrigley	333	59	Chicago IL	Yale, BA '54	marketing	36	31
Xerox/Paul A Allaire	229	53	Worcester MA	Worcester Poly, BSEE '60/Carnegie-Mellon, MSIA '66	technical	26	2
Yellow Freight Sys/George E Powell III	744	43	Kansas City MO	Indiana, BS '70	operations	21	2
York Intl/Robert N Pokelwaldt	72	55	North Tonawanda NY	SUNY Buffalo, BS '60	administration	9	1
Zions Bancorporation/Harris H Simmons	677	37	Salt Lake City UT	Utah, BA '77/Harvard, MBA '80	banking	11	1

[1]Company founder.

Compensation: Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-yr total ($000)	Stock owned %	mkt val ($mil)	Company data[1] sales ($mil)	profits ($mil)	Company
$453	20%	$29	—	$482	$1,629[2]	0.65%	$2.6	$380	$31	Valley Bancorp
504	0	52	—	556	1,630[3]	0.33	3.4	1,132	35	Valley National
594	-40	160	—	754	3,892	0.67	2.4	3,169	-178	Varity
1,475	66	—	—	1,475	8,988	0.05	1.4	2,952	161	VF
1,735	19	—	—	1,735	5,777[4]	0.52	21.7	1,712	-47	Viacom
1,009	14	—	—	1,009	3,975	2.54	30.9	5,350	65	Vons Cos
485	-33	375	—	860	5,573	0.27	4.0	1,007	53	Vulcan Materials
687	13	187	—	874[5]	NA	0.62	4.3	2,784	30	Waban
683	-30	27	$163	872	5,135	0.07	3.9	3,138	230	Wachovia
710	13	37	—	747[5]	10,471[4]	0.13	77.5	43,887	1,609	Wal-Mart Stores
1,054	15	323	—	1,377	5,450	0.53	22.0	6,901	198	Walgreen
1,000	14	—	—	1,000	NA	—[6]	—[7]	1,940	-380	Wang Laboratories
1,287	NA	461	1,410	3,158	NA	0.07	5.5	5,059	141	Warner-Lambert
302	1	224	811	1,337	4,572[4]	1.79	14.4	283	74	Washington Fedl S&L
533	34	1	113	647	NA	0.85	5.2	739	68	Washington Mutual
375	—	11	—	386	NA	12.99	347.4	1,380	119	Washington Post
298	8	78	—	376	1,939	0.06	0.5	567	72	Washington Water
1,100	-30	95	2,647	3,842	29,509	0.59	119.0	7,551	606	Waste Management
460	5	9	—	469	2,150	12.82	146.4	1,294	81	Weis Markets
775	-47	171	—	946	9,159	0.26	10.8	5,861	21	Wells Fargo
369	-24	32	—	401	1,909	0.02	0.1	520	41	West One Bancorp
440	NA	—	—	440	NA	0.21	0.2	256	6	Western Capital Inv
677	-60	7	—	684	NA	0.01	0.8	12,794	-1,086	Westinghouse
948	-4	43	287	1,278	4,826[4]	0.51	12.6	2,268	148	Westvaco
1,095	22	36	—	1,131	8,012	5.55	26.1	5,718	50	Wetterau
537	NA	6	—	543	NA	0.02	1.3	8,702	-101	Weyerhaeuser
1,590	60	43	—	1,634	4,728	0.03	1.0	6,770	170	Whirlpool
1,210	24	2,558	—	3,768	NA	0.17	2.6	2,393	80	Whitman
400	-29	—	—	400	NA	0.17	0.3	251	-5	Whitney Holding
580	5	128	—	708	2,722	6.45	128.7	2,005	46	Willamette Inds
1,208	18	359	—	1,567	5,887	0.33	5.0	2,105	110	Williams Cos
789	11	12	10	810	5,665	0.37	3.6	429	72	Wilmington Trust
646	8	346	—	993	3,118	2.44	81.0	10,203	178	Winn-Dixie Stores
454	—	12	—	466	NA	—[6]	0.2	1,539	189	Wisconsin Energy
798	72	—	322	1,120	NA	0.06	0.6	1,631	74	Witco
1,265	-8	780	2,437	4,482[5]	12,474	0.10	3.9	9,914	-53	Woolworth
480	-9	9	—	489	2,741	14.59	203.9	891	46	Worthington Inds
307	14	—	—	307	NA	0.02	0.2	549	65	WPL Holdings
730	0	425	—	1,155	4,289	17.68	513.2	1,149	129	Wm Wrigley Jr
1,083	-9	512	12	1,608	NA	0.02	1.7	17,830	454	Xerox
343	-36	28	—	371	NA	1.33	10.6	2,344	27	Yellow Freight Sys
813	NA	3,078	—	3,891	NA	0.63	6.6	1,653	13	York Intl
326	—	3	158	487	NA	4.15	12.9	344	29	Zions Bancorporation

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 27, 1992. [2]Three-year total. [4]Four-year total. [6]Less than 0.01%. [7]Less than $100,000. [5]Prior-year data. NA: Not available.

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

For the first third of the year the market as a whole looks as if it's asleep. Total return on the Barra All-US index of 5,200 stocks is just 0.1% through April.

But beneath the surface a lot has been going on. Biotech stocks have been getting killed, and growth stocks are weak. At the same time, cyclicals like autos are strong. The resulting shift in market leadership, according to Prudential Securities' Greg Smith, will be sustained for at least the balance of the year.

"The rotation toward economically sensitive issues indicates the economy is clearly on the rebound and that investors are factoring in a nice gain in corporate earnings," says Smith. Describing himself as moderately bullish, Smith favors regional banks like Banc One and NationsBank. He also sees buys in some of the big drug stocks that have been knocked down 20%. Among them: Pfizer and Glaxo.

Special focus

The stock market's finance sector is very close-knit: When bank stocks move up or down, so do brokerage and insurance stocks. Companies in the utilities sector, however, trade all over the lot. Which means that an investor seeking diversification is more in need of multiple utility stocks than multiple financial stocks.

Correlation of industries within sectors
(January 1, 1973 to March 1, 1992)

Finance	0.82
Capital goods	0.79
Technology	0.77
Energy	0.71
Consumer goods	0.69
Consumer cyclical	0.68
Construction	0.68
Transportation	0.64
Basic industry	0.64
Utilities	0.57

1 = perfect return correlation
0 = no correlation

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	0.5%	10.0%	-3.2%
S&P/Barra Growth index	1.3	11.7	-5.7
S&P/Barra Value index	1.0	12.6	0.0
Dow Jones industrials	0.2	14.3	-0.2
S&P 500	0.3	9.1	-1.4
NYSE	0.3	9.6	-1.5
Nasdaq	2.2	17.8	-10.3
Amex	0.5	7.5	-6.8
EAFE[1]	1.0	-11.3	-27.5
CRB index[1]	0.4	-5.2	-24.8
Gold[1]	0.1	-5.2	-32.9
Yen[1]	0.6	-3.6	-18.8
Oil[1]	3.2	-1.4	-49.3

The best and worst performing stocks[4]

Best	Price	2-week change	1992 EPS[2]	Worst	Price	2-week change	1992 EPS[2]
Armor All Products	15 ½	32%	$0.60	Barr Laboratories	12⅛	-33%	$0.70
Star Banc	36 ½	28	2.39	Sam & Libby	8	-32	1.12
Genta	9	24	NA	Network Systems	9⅛	-29	0.92
Offshore Logistics	9	24	0.97	Ventritex	17¼	-29	-0.40
Carlisle Cos	44 ¼	23	3.00	Airborne Freight	16¾	-29	1.77

The best and worst performing industry factors[4,5]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Oilfield services	8.5%	-6.1%	Apparel, textiles	-6.5%	0.5%
Beverages	4.5	14.5	Aerospace	-6.2	-10.4
Tobacco	3.1	8.5	Photographic, optical	-5.5	-26.8
Chemicals	3.1	15.6	Supermarkets	-4.8	0.8
Motor vehicles	2.8	46.0	Air transport	-3.9	-8.2

Note: Data for period ending 4/30/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large capitalization stocks characterized by low price to book ratios, high yields and low price to earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. Knight-Ridder Financial Information. [5] During the last two weeks. [6] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [7] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

COMMODITIES REVIEW

BY ERIC S. HARDY

CRB Spot indexes

CRB Futures indexes

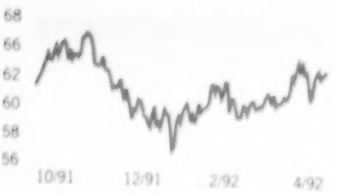
So far 1992 has been a down year for commodities, and there is little expectation that prices will recover anytime soon. In addition to the spot price declines, many of the 21 goods composing the Commodity Research Bureau's futures index (which measures expectations of future price levels) are also showing big declines. For example, the price of the grains component fell 6% during the last three months. And precious metals—gold, silver and platinum—are among the hardest-hit items in the CRB indexes of futures prices.

This is excellent news on the inflation front, but does it also signal that the budding economic recovery isn't sustainable? Not according to C. J. Lawrence Inc. chief economist Edward Yardeni, who is encouraged by the relative firmness in prices for raw industrial commodities such as base metals and rubber. According to Yardeni, demand for such commodities typically increases at the start of a recovery.

One variable that economists like Yardeni must now factor into their predictions is the increasing amount of government regulation of key commodities. Lumber and copper, for instance, owe their strength not to demand-related market forces but to the difficulty those industries have in producing a finished product. Regulation may soon be playing a bigger role in determining the supply of gasoline *(see below, left)*.

Commodity spotlight

July Gasoline (cents per gallon)



Unlike crude oil, which is abundant, gasoline supplies could come up short. Why? Environmental problems. There hasn't been a major new refinery built in the U.S. since 1977, says James Nevler of New York's Commodity Research Bureau. Indeed, some older refineries may be forced to close if they fail to meet new, tougher environmental standards.

Cash and futures prices

Spot indexes

Index[1]	Value	3-mo change
All commodities	243.95	3%
Raw industrials	279.90	6
Metals	264.25	6
Textiles	229.31	7
Foodstuffs	199.86	-2

Futures indexes

Index[1]	Value	3-mo change
CRB index	206.18	-2%
Precious metals	223.56	-5
Industrials	224.02	1
Grains	200.09	-6
Livestock & meat	175.60	0

Spot commodity prices

Index	Price	3-mo change
Steel scrap (short ton)	$91.95	3%
Copper scrap (pound)	0.85	4
Print cloth (sq yard)	0.78	7
Corn (bushel)	2.45	-5
Soybean oil (pound)	0.19	0

Futures prices

Index	Price	3-mo change
July platinum (troy oz)	$342.50	-4%
July crude oil (barrel)	20.35	5
July copper (pound)	1.00	2
July cotton (pound)	0.62	10
July Chi wheat (bushel)	3.67	-6

Note: All prices as of 4/27/92. [1] Composed of 13 commodities. [2] Composed of the 13 raw industrial commodities plus 10 foodstuffs. [3] Gold, platinum and silver. [4] Composed of 21 commodities. [5] Prices from 10/1/91 through 4/27/92. [6] Base for spot and futures indexes (1967=100). Source: Knight-Ridder Commodity Research Bureau.

Leveraged stocks to buy now

How commodity exchanges spread capitalism in Russia

June 8, 1992 Four Dollars

Forbes

How many Morrison Knudsen employees see their boss and his wife

The Imperial Agees

Forbes
JUNE 8, 1992 VOLUME 149 NUMBER 12

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THE FORBES INDEX

BY TIMOTHY DODMAN

The recovery is becoming more visible. The preliminary Forbes Index for April shows a 1% increase over March. If this gain holds, it will mark the largest month-to-month advance in the Index in 5½ years. Industrial output rose 0.5% in April, the third straight monthly increase. Rising auto production was largely responsible for the gain. Retail sales registered a 0.9% gain in April, which erased almost all of March's decline. And average weekly new unemployment claims in April were 412,000, the lowest number since July 1991.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.2%
Index of leading indicators Mar vs Feb	Dept of Commerce	0.2%
Trade balance 12 months ended Feb 1992	Dept of Commerce	-$68 bil
All-commodity producer price index Apr vs Mar[2]	Dept of Labor	0.2%
GDP 1st quarter vs 4th—annualized growth	Dept of Commerce	2.0%
M2 (3-month change)—annualized growth[3]	Federal Reserve	3.6%

[1] U.S.-based manufacturers, excludes imports, as of 5/10/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

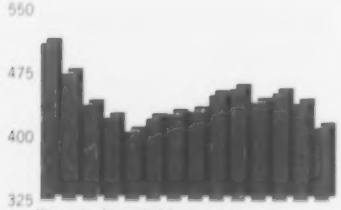
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

Industrial production index (1967=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

M A M J J A S O N D J F M A

M A M J J A S O N D J F M A

M A M J J A S O N D J F M A

BY ERIC S. HARDY

Some chemical stocks—including Air Products & Chemicals, Union Carbide and Rohm & Haas—are showing nice gains this year. Others, including Lyondell Petrochemical and W.R. Grace, have languished. Dean Witter chemical analyst Harvey Stober explains the difference in performance by separating the industry into four sectors—petrochemical, fertilizer, cyclical and growth. Stocks in the first two categories, he explains, have yet to benefit from the economic recovery, while the cyclicals have done phenomenally well. Stober says the best buying opportunities lie in the growth sector. His favorites include Monsanto, which offers a 3.5% yield, and Imcera.

Despite a flat market so far in 1992, a flood of initial public offerings is pushing up the market's total capitalization. The value on the Barra All-US index is $3.9 trillion, up from $3.6 trillion in December 1991.

Special focus

Rising expectations: Over the past month, analysts in the Institutional Brokers Estimate System raised their 1992 earnings estimates on the companies below by at least 20%. Since early April, the 1992 earnings forecast for Ford Motor has tripled, while supermarket chain Penn Traffic's earnings estimate doubled.

Companies whose 1992 earnings estimates rose 20% or more in the past month.

Company	1992 Est EPS
Ford Motor	$ 1.19
Penn Traffic	0.52
Seagate Technology	0.63
Cullen Frost Bankers	1.10
Acclaim Entertainment	0.52
First Florida Banks	2.12
Presley Cos	1.13
BayBanks	1.45
Showboat	0.89
Measurex	0.59

Source: IBES, via Lotus One Source

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-0.3%	12.1%	-3.5%
S&P/Barra Growth index[1]	-0.4	13.3	-6.0
S&P/Barra Value index[2]	0.0	15.1	-0.8
Dow Jones industrials	0.3	16.4	-0.8
S&P 500	-0.4	11.0	-1.8
NYSE	-0.3	11.6	-1.8
Nasdaq	-0.4	19.7	-10.6
Amex	0.3	9.4	-6.5
EAFE[3]	5.2	-4.9	-23.7
CRB index[4,5]	2.9	-2.1	-22.6
Gold[5]	0.2	-5.2	-32.8
Yen[5]	-2.1	-5.2	-20.5
Oil[5]	-1.4	-1.7	-50.1

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Midlantic	12	52%	$-2.20	Biomatrix	7¼	-38%	$-0.50
Pinelands	17 ¾	46	-0.06	Medimmune	18½	-34	0.04
Western Capital Invest	13 ¾	43	NA	Sharro	25⅛	-33	2.08
International Murex Tech	14 ⅛	31	NA	Immunomedics	7¼	-28	NA
Transco Energy	14	30	0.95	Curative Technologies	9½	-25	NA

The best and worst performing industry factors[8,9]

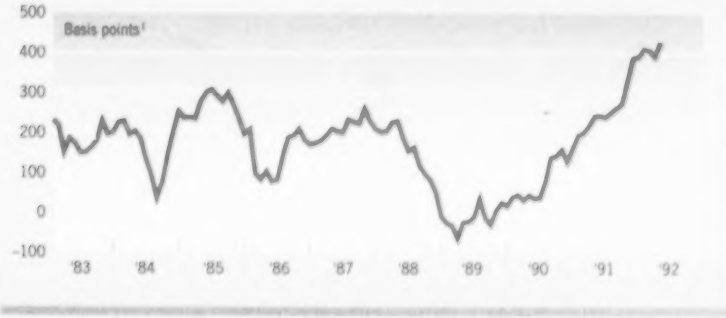
Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Precious metals	9.8%	-4.2%	Motor vehicles	-6.2%	37.0%
Photographic, optical	4.8	-23.4	Pollution control	-5.0	-11.4
Thrifts	4.8	-2.1	Real estate	-4.5	-8.7
Life insurance	4.3	-10.4	Containers	-4.2	10.4
Gas utilities	4.3	-4.0	Aluminum	-2.8	-0.2

Note: Data for period ending 5/14/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

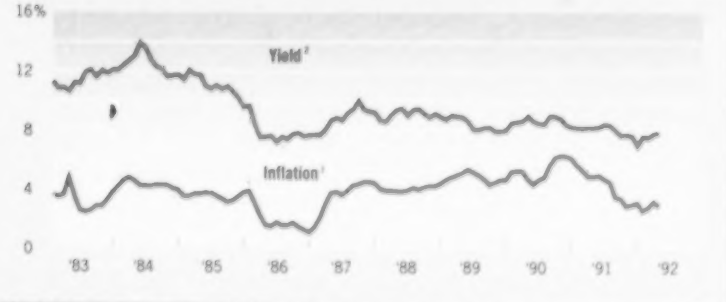
BY ERIC S. HARDY

Yield curve

30-year rate minus 1-year rate



Yield vs. inflation



Spread over Treasurys

Security	Basis points[1]
AA corporates	59
AAA industrials	57
Ginnie Maes	77
Junk corporates[4]	500
Municipals[5]	-199

Total returns

Security	1 year[6]	3 years[6,7]
AAA corporates	11.5%	11.6%
Ginnie Maes	11.7	13.2
Junk corporates[4]	26.1	14.7
Municipals[5]	9.5	9.4
Treasury bonds	10.5	11.1

Note: Except where footnoted, all information provided by Barra, Inc., Berkeley, Calif. [1]A basis point is equal to one-hundredth of a percentage point. [2]Yield on ten-year Treasurys. [3]The trailing 12-month increase in the Consumer Price Index. [4]Source: First Boston. [5]Source: Lehman Brothers. [6]Data through 4/30/92. [7]Annualized.

Fixed income investors who have been shunning U.S. Treasury securities because of their low yields should take another look. The alternatives are not as attractive as they once were. Or, to put it another way, yield spreads have been narrowing.

The phenomenon is quite visible in the tax-exempt sector. Municipals still offer better aftertax returns than Treasurys. But the muni advantage isn't all that significant. For example, top-quality general obligation debt maturing in one year pays 3.3%. A one-year Treasury, in contrast, pays 2.9% aftertax for someone in the 31% federal tax bracket. That leaves a 40-basis-point advantage to the muni investor.

Keep in mind that Treasurys are subject only to federal income taxes. Diversified municipal bond funds, because their portfolios will likely own bonds outside the investor's home state, are usually subject to state income tax, narrowing the muni's aftertax yield advantage. Single-state portfolios get around this problem, but with some increment of risk. A New Yorker putting all his money in New York munis is at risk that the state's credit rating will fall and take prices down with it.

Now look at another bond sector, far riskier than municipals: junk bonds. These have outperformed all other sectors over the past year. As a result, junk bonds now trade much closer to their par values, and yields are lower. Today, for example, a high-grade junk issue like the Safeway 9⅞s of 2007 trades roughly at par, says Kemper Securities' Dean Graves. The average junk bond has a yield spread over a comparable Treasury of 5 percentage points. Two years ago that spread was more like 7.5 percentage points.

The real question mark in any long-term fixed income investment is future inflation. On this score, Boston Co. economist Allen Sinai is bullish. He says small wage increases will serve as an "anchor" for low inflation. A 3% inflation rate would give investors nearly a 5% real return in long Treasury securities, he says.

Can anyone stop Wal-Mart?

June 22, 1992 Four Dollars

Forbes

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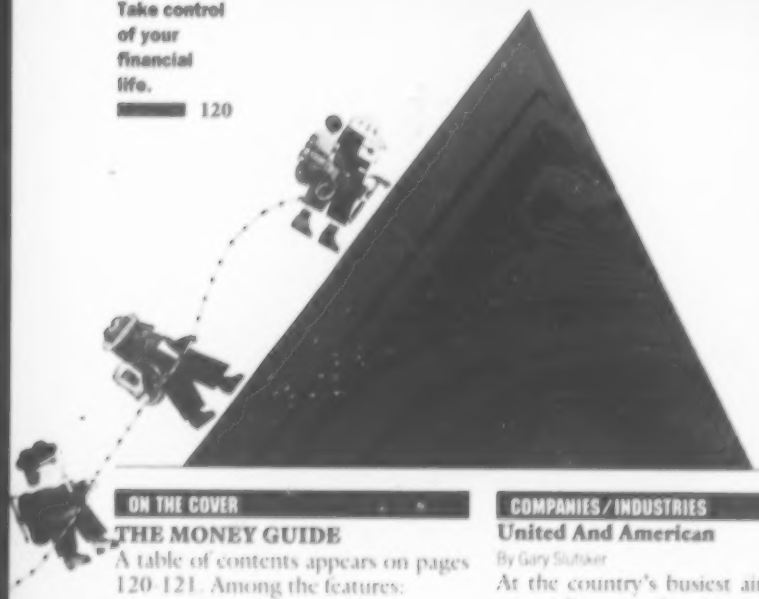

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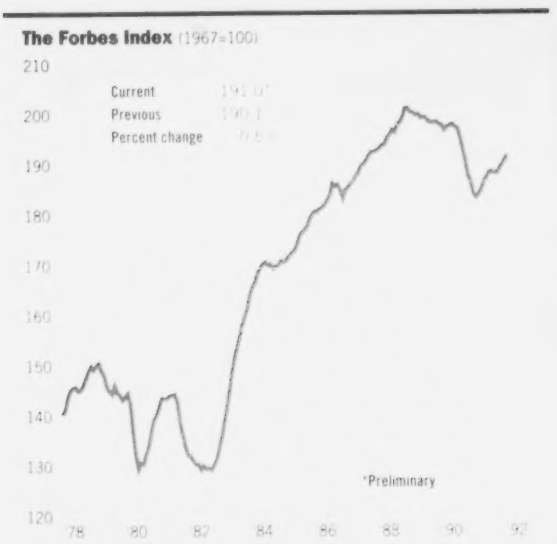
THE FORBES INDEX

BY TIMOTHY DODMAN



The economy is doing better than we thought. The first of two scheduled revisions by the Commerce Department in the gross domestic product puts annualized growth in the first quarter at 2.4%, as opposed to the original estimate of 2%. Personal spending climbed, net of inflation, at a 5.4% annual rate in the first quarter. The second quarter seems to have gotten off to a good start. Manufacturers' new orders in April rose 1.4%. A high installment credit number (to be reported June 5) could put the Forbes Index for April at its highest level since November 1990.

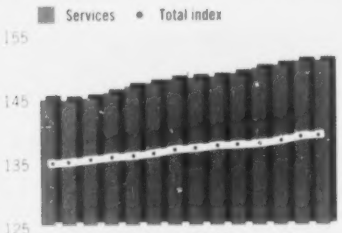
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	2.4%
Index of leading indicators Mar vs Feb	Dept of Commerce	0.2%
Trade balance 12 months ended Mar 1992	Dept of Commerce	-$68 bil
All-commodity producer price index Apr vs Mar[2]	Dept of Labor	0.2%
GDP 1st quarter vs 4th—annualized growth	Dept of Commerce	2.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	2.7%

[1] U.S.-based manufacturers, excludes imports, as of 5/20/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

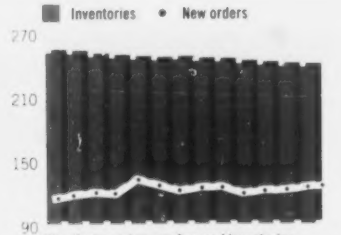
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements. Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure those 8 elements, Forbes computes 10 series of U.S. government data. The last 24 months' data for each series are presented below.



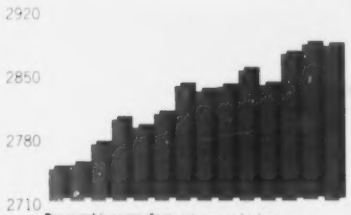
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



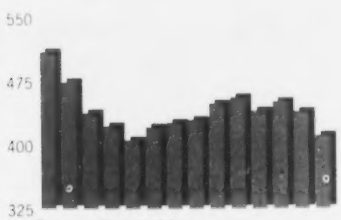
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

M A M J J A S O N D J F M A M A M J J A S O N D J F M A M A M J J A S O N D J F M A

If you want to make money in IPOs here are two solid pieces of advice: Stick with the largest underwriters and buy in the slowest years.

New issue roulette

By Warren Midgett and Scott DeCarlo

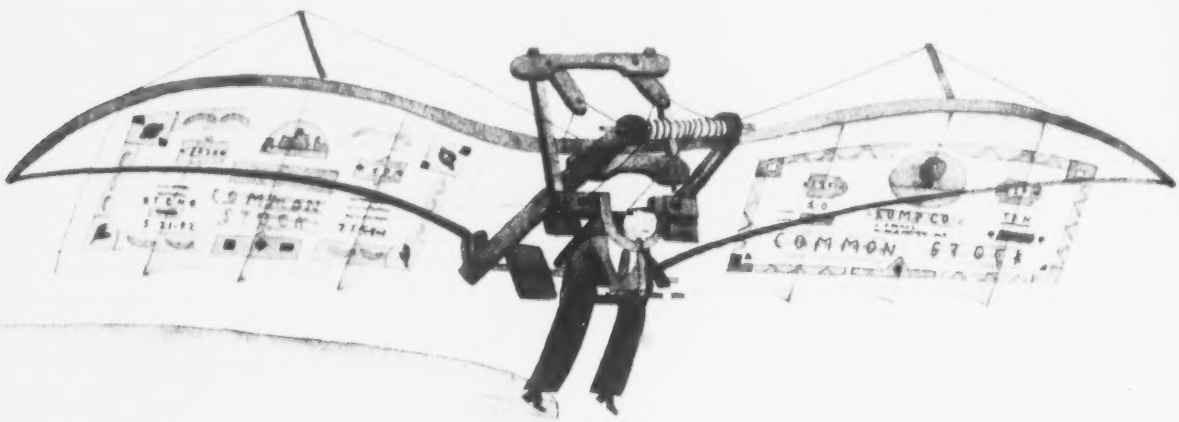
THERE'S no denying the siren song of the new issues market. All of us look back and wish that we had invested in Microsoft when it first came public in early 1986. A $10,000 investment made then is worth $315,000 now.

In boom years like 1991-92 people lucky enough to get allotments of hot new issues can often turn a fast profit. But as investments, as opposed to fast speculations, initial public offerings don't have a lot to recommend them. The harsh reality is that only one new issue in a thousand fares as well as Microsoft. Half of all the new issues that came out over the past decade have gone down—in a very bullish market. Almost two-thirds of them have done worse than the stock market as a whole.

FORBES tracked down 2,444 companies that went public since the beginning of 1982. We scored a stock as 100 if its performance tracked the market from issue date to Apr. 30, 1992. More precisely, relative-to-market performance is calculated by dividing the ending value of $100 invested in a new issue by the ending value of $1 invested in the S&P 500. Thus, 110 means that a buyer ended up 10% better off than he would have been if he had bought the S&P 500 index on the same date.

There were some big winners—Microsoft, US HealthCare, American Power Conversion. But the story is told in the averages. The average relative performance score for the past decade of initial public offerings: a dismal 95.

"I don't think a dealer in a Vegas casino is equally as equipped to stack the cards against you as the management and underwriter of an IPO. If the odds could be properly calculated, the game would be declared illegal," says G. Kenneth Heebner, manager of the TNE Growth Fund. Heebner has steered this fund onto the FORBES



Get 'em when they're cold

Year	Number of issues	Performance* actual	Performance* rel to S&P 500	Performance* rel to Nasdaq
1982	43	207.6%	118	136
1983	443	59.0	75	94
1984	165	81.4	86	96
1985	189	68.9	88	98
1986	464	42.3	89	100
1987	344	24.7	95	98
1988	123	83.8	121	124
1989	116	59.8	128	124
1990	112	17.7	98	88
1991	266	24.7	114	109
1992*	537†	-2.5	97	105
Average		47.1	95	102

*Through Apr. 30. †Annualized

The best vintage for new issues in the past decade was 1989, a very slow year. The worst was effervescent 1983, when 443 companies went public. It won't be surprising if 1992 is a poor year.

mutual fund honor roll for seven consecutive years by investing in blue-chip companies with strong growth records. The only recent new issue in Heebner's portfolio is Duracell International.

Our scores, moreover, are too kind to the new issues business in two ways. First, we assumed that any buyer could have had any new issue at the offering price. The reality is otherwise. The most desirable new issues disappear into the hands of the underwriter's most loyal institutional customers, and the general public is left to buy shares at a premium in the aftermarket (FORBES, *May 25*).

Associate Professor Jay Ritter of the University of Illinois at Urbana-Champaign has reduced this hot-issue phenomenon to numbers. Ritter studied 8,668 new issues from 1960 to 1987 and found that they rose an average 8.6% in the first day of trading. (That's with low-priced penny stocks excluded; include them and the first-day jump is considerably higher.) In short, if you aren't lucky enough to be cut in at the offering price, you have to buy in the aftermarket and pay 8% more.

Second, we ignored dividends, which added an average of 4 percentage points a year to the performance of the S&P 500 but next to nothing to new issues.

In short, our latest findings reinforce what FORBES has been saying ever since it created the new issues database *(Dec. 2, 1985)*: Initial public offerings tend to enrich insiders and underwriters much more than they enrich the typical brokerage customer.

But our research turns up a few ways to improve your odds a bit. One lesson is that the biggest underwriters do better than the smallest. (The latter group includes self-underwriters—companies that sell shares without the help of a Wall Street firm.) The table below shows the average scores for the ten biggest lead underwriters. The 961 new issues whose lead manager was among these ten firms have an average relative performance score of 101.

What about the 1,483 stocks that were not underwritten by one of the top ten brokerage houses? This group rang up an average relative performance of only 90. Within this smaller-underwriter group, some well-known second-tier firms really bombed. Over the past decade Advest, a regional brokerage based in Hartford, took to market 25 issues that delivered a sorry-looking score of 62. The 59 issues underwritten by L.F. Rothschild (now defunct) have a relative performance of 67.

So if you want to play the new issue game, start your hunt with the larger sponsors, especially the ones with the best records. Goldman, Sachs is credited with taking more than $10 billion worth of stock to market, and it also shows the best score, 133, of the biggest investment bankers. Among its winners: Microsoft, Tyco Toys and Legent.

Next, there is a clear correlation between scarcity and value. The three years with the best crops of new issues—1988, 1989 and 1982—were all years when the deals were coming

The biggest underwriters

Underwriter	Number of issues	% of issues that went up	% of issues that beat the market	Average performance actual	Average performance rel to S&P 500	Total offer val ($mil)
Goldman Sachs	100	66%	50%	102%	133	$10,399
Merrill Lynch	152	49	36	55	97	8,592
Morgan Stanley	86	62	47	55	109	5,611
First Boston	66	62	45	30	99	4,567
Shearson Lehman Brothers	70	53	41	60	104	4,305
Salomon Brothers	55	65	38	42	87	4,099
Drexel Burnham Lambert*	113	48	30	51	93	3,643
Alex Brown & Sons	140	59	46	58	111	3,451
Kidder Peabody	91	41	32	30	86	2,773
PaineWebber	88	45	31	46	94	2,621

*Bankrupt.

Some underwriters price their deals low enough to give the investor a fighting chance; others do not. To improve your odds, buy from underwriters with the best performance relative to the market.

The top-performing new issues

Company/business	Price offer[1]	Price recent[2]	Offer value (mil)	Offer date	gain actual	gain rel to S&P 500[3]	Underwriter
US HealthCare/health care services	$1.17	$49.50	$20	2/11/83	4,131%	1,505	Merrill Lynch
Microsoft/computer software	3.50	110.25	59	3/14/86	3,049	1,795	Goldman Sachs
Atlantic Southeast Air/airline	1.08	31.75	5	12/28/82	2,829	999	Robinson-Humphrey
Amer Power Conv/back-up batteries	1.00	28.25	6	7/29/88	2,725	1,852	Josephthal
Washington Federal S&L/thrift	1.06	26.38	11	1/17/83	2,398	886	EF Hutton[4]
King World Productions/entertainment	1.11	25.38	13	12/7/84	2,184	893	PaineWebber
Conseco/insurance	1.75	33.00	7	11/15/85	1,786	900	Laidlaw Adams & Peck
Amgen/biotechnology	3.00	56.00	42	6/30/83	1,766	756	Smith Barney
Surgical Care Affiliates/health care svcs	1.99	32.25	14	1/18/84	1,520	654	Ladenburg Thalmann
Adobe Systems/computer software	2.75	44.25	6	8/15/86	1,509	958	Hambrecht & Quist

The worst-performing new issues

Company/business	Price offer[1]	Price recent[2]	Offer value ($mil)	Offer date	Underwriter
Tigera Group[5]/computer software	$22.00	$0.25	$110	3/31/83	First Boston
Worlds Of Wonder[6]/toys	18.00	0.00	108	6/20/86	Smith Barney
CrossLand Savings/thrifts	9.00	0.02	100	10/25/85	Salomon Brothers
Goldome/thrifts	7.00	0.00	98	8/11/87	Merrill Lynch
Victor Technologies/computer equipment	280.00	0.38[7]	79	3/31/83	LF Rothschild[8]
Inovision[9]/entertainment	13.00	0.01	70	10/11/85	Merrill Lynch
General Homes[6]/building	19.00	0.00	67	6/30/83	Shearson Lehman
Priam[6]/computer equipment	17.00	0.03[7]	65	6/21/83	Hambrecht & Quist
Elxsi[10]/financial services	12.00	0.22	60	11/10/83	Merrill Lynch
AmeriFirst Bank/thrifts	8.00	0.00	57	11/7/86	PaineWebber

[1]Per common share adjusted for splits. [2]As of Apr. 30. [3]Ending value of $100 invested in the stock divided by $1 invested in the S&P 500. [4]Now part of Shearson Lehman Brothers. [5]Formerly Fortune Systems. [6]Bankrupt. [7]Most recent quote available. [8]Now defunct. [9]Formerly Vestron. [10]Formerly Trilogy Ltd. *Sources: Security Data Co.; Wilshire Associates; Forbes.*

One of the biggest initial public offerings of the decade, the $59 million Microsoft deal was a bonanza for investors. But plenty of other offerings bombed. The largest of them are shown at left.

out at a rate of less than three per week. Busy years like 1983 and 1986, in contrast, tended to be very bad for investors.

It stands to reason. When the market is high and the demand for new issues is insatiable, underwriters reach down into the bottom of the barrel for material, and they price it richly. But when no one wants to buy stocks, the dealmakers offer only their best candidates, and offer them at attractive prices.

It's a little early to see how well the class of 1992 will fare, but the dizzying volume at which new issues are coming to market these days is surely a bad sign. This year, through Apr. 30, there were 179 new issues, raising nearly $10 billion in capital. Annualize these numbers and you are looking at record highs: 537 issues raising $30 billion. In contrast, from 1988 through 1990 only 351 new issues were taken to market and $12.6 billion was raised.

Biotechnology stocks have been particularly hot. This sector accounts for 15% of the number of issues that came public in 1991 and 19% of the new offerings through April of this year. But, following a sharp setback in April, almost 90% of the biotechnology stocks offered this year have shown negative performances since they came out, according to Securities Data Co. Warns Evan Sturza, of *Sturza's Medical Investment Letter:* "Maybe a lesson was learned that you shouldn't buy IPOs. There have been too many biotech IPOs in the last two years—about 200—and there may be no more than 20 that eventually succeed."

If you are still keen on investing in new issues, wait for a slack year and stick to issues from large underwriters. And look at the fundamentals. Calculate how the prospect is priced relative to its sales and earnings, and make comparative calculations for other firms in its industry.

Somebody out there isn't doing the arithmetic. Ventritex Inc., a manufacturer of implantable heart defibrillators, was offered on Jan. 22, at 18, in an $84 million deal underwritten by Robertson, Stephens. At its current price of 19¼, Ventritex has an astronomical price/sales ratio of 44.

Our survey covered all new issues between Jan. 1, 1982 and Apr. 30, 1992 except foreign stocks, blind pools, limited partnerships, closed-end funds, real estate investment trusts and, as explained before, penny stocks. To avoid double counting, we credited only a single lead underwriter for each new issue.

Are you looking for cheap stocks in a rather expensive market? Precisely because everyone is sour on them, some defense stocks are good buys now.

Swords into plowshares

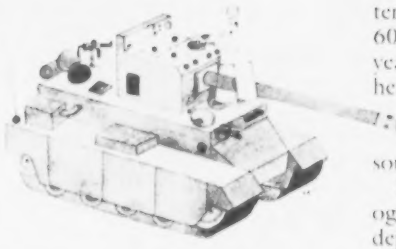
By Reed Abelson

THE GULF WAR is long over, and the politicians are vying with one another to grab money from the defense budget to spend on their favorite programs. No wonder defense stocks are in the dumps.

Which may make them an excellent buy for investors who are willing to buck the conventional wisdom. You don't have to believe in a full-scale resumption of the cold war to want to own these out-of-favor companies. Don't forget that many of them have civilian business, too.

Ah, but perhaps you have a long memory and recall how badly many defense outfits were burned after World War II and Vietnam when they tried to break into commercial markets. Thus it was that General Dynamics flopped in its effort to run Cessna Aircraft and Grumman discovered that making buses is very different from manufacturing military aircraft.

But people can learn from history,



and some defense firms certainly have. Anthony Marolda, president of the Winbridge Group, a Cambridge, Mass. consulting firm, says things are different this time. He says some defense contractors aren't merely making diversifying acquisitions for the sake of diversifying; instead, they are trying to adapt military technologies they already own to products that could be sold to other government agencies or commercial users. Many of the firms realize they don't know how to sell in commercial markets, so they have bought companies that know the commercial markets, formed joint ventures or acted as subcontractors to commercial businesses.

The classic model for this sort of move is Raytheon's 1965 purchase of an appliance manufacturer, Amana, in order to create a market for the technology behind the microwave oven.

The table below lists ten diversifying military suppliers. Some, like Raytheon and EG&G, are old hands at selling their stuff commercially. For others, like E-Systems and tiny Datametrics, diversification is a relatively new, and unproven, task.

E-Systems and Datametrics get the majority of their revenues from defense-related work, but they are determined to cut the military to under 60% of revenues within the next few years. Litton Industries has invested heavily over the last few years in its nondefense businesses of industrial automation and resource exploration.

How easily can a military technology be applied to civilian business? It depends. There's no commercial use for General Dynamics' nuclear submarines. But aviation electronics is just as important to commercial aircraft as to fighters, a fact long exploited by Rockwell International's Collins division. Satellites are extremely useful for nonmilitary work, as Martin Marietta, Loral and Hughes Electronics can tell you. Litton sells its navigation technology for use on long commercial flights. Datametrics, which sells color printers for use in military installations, is developing high-speed color printers for use wherever conditions are rough, like oilfields.

Defense companies are also realiz-

Diversification as a defensive play

Company	Recent price	1991 revenues ($mil)	1991 revenues % nondefense	Earnings per share 1991	Earnings per share 1992 estimate	P/E on 1992 estimate	5-year EPS growth rate
Datametrics	1⅝	$21	4%	$0.13	NA	NA	NA
EG&G	24¼	2,689	36[2]	1.45	$1.59	15.4	10%
E-Systems	36	1,991	2	3.35	3.73	9.7	14
GM Hughes	20½	11,541	54	1.30	1.76	11.6	13
Litton	45⅝	5,219	48	1.45	4.09	11.1	–6
Loral	31⅝	2,882[1]	20	4.00	4.36	7.3	9
Martin Marietta	52⅜	6,075	28	7.08	7.41	7.1	11
Raytheon	44⅜	9,274	50	4.47	4.83	9.2	10
Rockwell	24	11,927	60	2.50	2.15	11.2	–1
Tech-Sym	13	176	59	1.50	1.68	7.7	2

NA: Not available. [1]Fiscal year ended Mar. 31. [2]Does not include Department of Energy. *Sources: Forbes; Institutional Brokers Estimate System.*

All these firms are making tactical forays into commercial fields where they can make use of their military technology.

ing that they can find markets at other government agencies. Martin Marietta is providing the data processing skills it developed for the military to the Department of Housing & Urban Development. The company also developed robotics to handle radioactive weapons parts; it is adapting that technology in a contract to help the U.S. Department of Energy with hazardous waste handling. EG&G is taking its experience in operating two nuclear weapons factories and four other plants for the Department of Energy to the National Aeronautics & Space Administration and other agencies.

Even the most promising technologies, of course, won't transform a multibillion-dollar defense company into something else overnight. The $100 million or so in civilian sales that E-Systems might get this year from computer-based systems developed for the military "will get lost in the mass of the company," notes Michael Lauer, an analyst at Kidder, Peabody. Smaller companies such as Datametrics and Tech-Sym may have an easier time reinventing themselves.

Here's the point: In a market selling at 25 times earnings and having a 1.2 price/sales ratio, defense stocks sell for 11 times earnings, with a price/sales ratio of 0.56. But they are not going out of business. There's good reason to think the stock market has overreacted to their problems. So what's new? Markets usually do that.

Defense work is not going to disappear overnight. Anyone who thinks it is hasn't been watching TV. There are small wars today in the Balkans, the nations of the old Soviet Union are growling at each other, and some particularly slimy dictators rule such countries as Syria, Libya and Iraq.

And even without these threats, the Department of Defense is having a devil of a time eliminating some submarine contracts, because congressmen are protecting defense jobs. For example, that once-famous dove, Senator Christopher Dodd of Connecticut, has turned into a tiger in defense of the Seawolf submarine contract, which provides thousands of jobs in his state.

Between beating their swords into plowshares and continuing to build swords, defense companies will be around well into the next century. ■

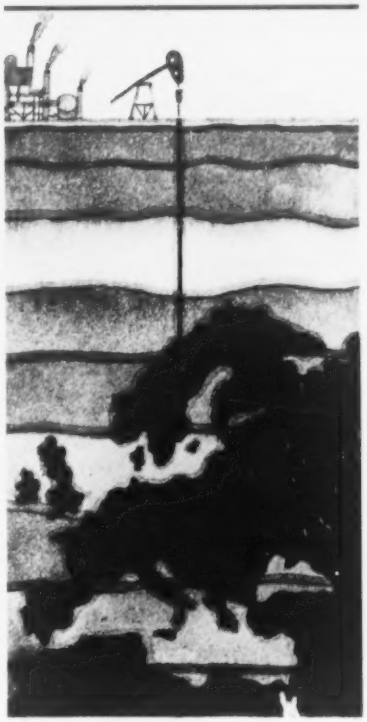
Want to play the possibility of higher oil prices? Consider buying shares of foreign-based petroleum companies.

Exploring for oil stocks overseas

By Toni Mack

WITH THE SAUDIS apparently changing their minds about petroleum prices recently, a lot of people are taking a new look at oil stocks. Market laggards last year, the stocks have come to life in the last two months.

If you are tempted, says Kidder, Peabody analyst Bernard Picchi, buy the stocks of foreign oil companies as well as U.S. ones. Picchi has followed the industry for 15 years. He's logged a lot of air miles lately getting to know some European oil companies that trade at lower P/Es and stand to grow faster than their U.S.-based counterparts. Most of the European companies will raise their dividends this year, and many are available via American Depositary Receipts or Shares on the New York Stock Exchange.



Maybe you feel more secure buying known names—Texaco, say, or Mobil—than Elf Aquitaine. But Picchi reminds you that not so many years ago most U.S. investors were unfamiliar with the Royal Dutch/Shell Group, now the world's largest oil company. In the mid-1970s shares in Royal Dutch Petroleum languished on the New York Stock Exchange at four times earnings, a little more than a third of the market multiple. If you'd bought then and reinvested the dividends, you would now have three times as much money as someone buying the S&P 500.

The companies in the table on page 186 are ripe for discovery by U.S. investors, Picchi thinks. He notes that all the big oil companies are taking cash from U.S. operations and investing it abroad. Picchi believes that equity investors will follow, searching for foreign prospects.

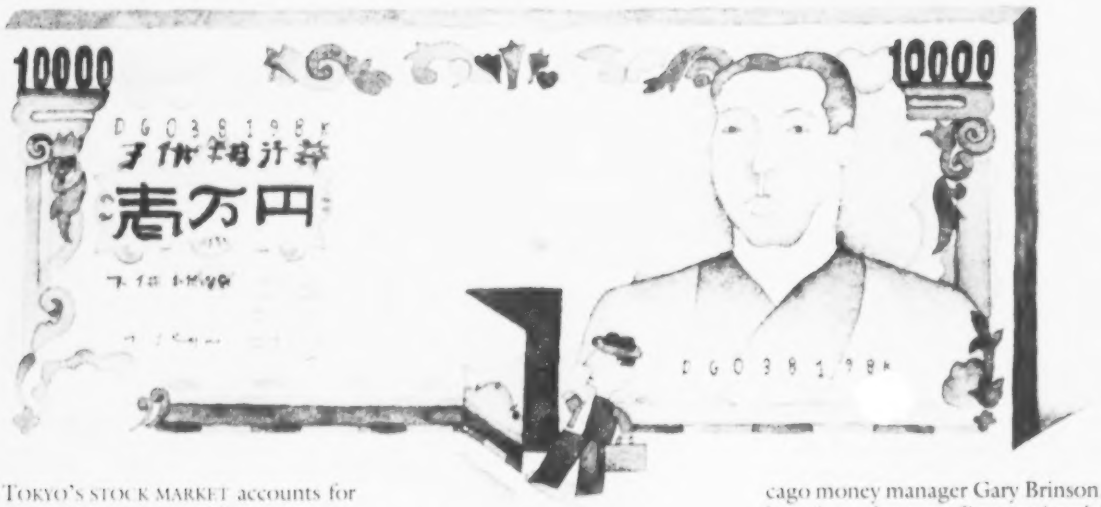
Repsol, a Spanish refiner and marketer, sells for 11 times expected 1992 earnings, at the low end of what U.S. refiners fetch. But while the domestic boys suffer massive environmental costs and little, if any, market growth, the Spanish gasoline market is growing 4% to 5% annually in unit volume. Repsol's earnings could swell an average 15% annually for the next five years, Picchi says.

Repsol is spending hugely—some $2 billion through 1995—but much of this outlay will enable the company

Japan Inc. is not going bust. With the Tokyo market still a smoldering ruin, now's a good time to pick up some bargains there.

Toyota or Ford?

By Christopher Palmeri



TOKYO'S STOCK MARKET accounts for about 25% of the world's equity capitalization. If you don't have any of your assets in that market, you're probably making a mistake.

Oh, sure, the Japanese economy is slowing. Many Japanese companies are expected to report down earnings for the 1991 fiscal year, which ended in March; one of the best known of them, Sony, just reported a quarterly loss. The Japanese real estate and banking sectors have yet to see bottom. There could develop another selling panic, sending the Nikkei average down another 20%. Some pundits who shouted "buy" when the Nikkei sank to 20,000 saw it plunge another 15% or 20% before rallying.

Nevertheless, at 18,000, the index is still off more than 50% from its late 1989 high. This is an even worse collapse than that suffered by the U.S. markets in 1973-74, when they gave up around 40% of their value—before turning around and sextupling in the ensuing 18 years.

There are reasons to avoid Japan in the short term, but most of these are already reflected in stock prices. It took the U.S. market a long time to recover from the 1974 debacle, but when it did, long-term investors reaped riches. Japan could be a similar case. We're not talking this year or next year but about the money you are saving now to spend in retirement 20 or 30 or 40 years hence.

The Japanese market has been in a state of turmoil for the past month. One day the market is given over to a stampede by panicky sellers, sending the average down 3%; the next day the market spikes up 3%. It seems that a lot of buyers with cash to spend are waiting on the sidelines for the opportune moment.

A fair amount of such patient money—more than $5 million a week—is flying into the Japan Fund, managed in New York City by Scudder, Stevens & Clark. "We don't know if the market has hit bottom yet," says manager Elizabeth Allan. "But we think that long-term investors using dollar-cost averaging over the next six months should do very well."

Those thoughts are echoed by Chicago money manager Gary Brinson, a longtime advocate of international diversification, whose Brinson Partners manages some $22 billion. "If your Japanese exposure is zero, you should definitely look at this as an opportunity to build up a presence," he says.

Roger Ibbotson is a highly respected finance professor at Yale and president of the Chicago-based market strategy firm Ibbotson Associates. He says the Nikkei's three-year decline has put Japanese stocks roughly on par, by some measures, with U.S. equities. The market's price/earnings ratio is still high at 28, but the price/book ratio of 1.8 and the price/cash flow ratio of 8.6 are both lower numbers. (Here, cash flow is earnings plus depreciation.) Corresponding ratios in the U.S.: a price/book of 2.3 and a price/cash flow of 10.3.

So what then is the difference between Toyota and Ford? "Toyota has a better balance sheet," jokes Ralph Wanger, manager of the highly successful Acorn Fund.

If you want to get a piece of Japan, either an international mutual fund or an assortment of American Deposi-

Brand names for less

Company/business	ADR price ($US)[1]	3-yr high	Price/ cash flow	EPS 1991	EPS 1992E	Ordinary shares per ADR
Canon/office equipment, photography	$54.63	$69.50	8.0	$2.43	$2.63	5
Dainippon Ink & Chemicals/chemicals	37.46	72.21	8.1	0.49E	0.56	10
Fujitsu Ltd/computers	26.12	60.59	4.2	0.25	0.47	5
Hitachi Ltd/semiconductors, electronics	63.50	145.00	4.1	2.78	2.97	10
Hitachi Metals/steel	61.54	138.55	7.8	1.89	2.45	10
Honda Motor Co Ltd/automobiles	23.38	37.50	5.6	1.00	1.05	2
Matsushita Electric Industrial/consumer electronics	106.50	219.00	7.0	4.57	4.81	10
Mitsubishi Electric Corp/industrial electronics	38.39	87.63	4.3	1.20	1.28	10
NEC Corp/computers	38.00	91.88	5.2	0.37	0.82	5
Nippondenso Co Ltd/automotive components	45.20	76.66	7.3	2.19	2.02	4
Nissan Motor Co Ltd/automobiles	9.38	23.65	5.1	0.61	0.25	2
Ricoh Co Ltd/office equipment, photography	18.96	49.15	5.1	0.12	-0.13	5
Sony Corp/consumer electronics	33.00	59.75	4.3	2.20	1.26	1
Toyota Motor Corp/automobiles	22.88	41.43	6.8	1.86	1.18	2
Victor Co of Japan Ltd/consumer electronics	14.55	42.73	4.7	0.12	-0.13	2

[1] Equivalent price if recent ADR quote not available. E: Estimate.

Sources: Morgan Stanley Capital International Perspective; Institutional Brokers Estimate System; Forbes.

Eastern exposure

Fund	Total return 3-year*	Total return 1-year	Annual expenses per $100	Assets ($mil)	% of assets in Japan
International Equity	3.3%	-1.5%	$1.07	$141	25%
Japan Fund	-6.6	-25.9	1.26	340	84
Nomura Pacific Basin	-0.1	-17.4	1.48	45	70
Vanguard World Intl Growth	3.2	-4.1	0.52	931	25

*Annualized. Returns through Apr. 30.

Source: Morningstar, Inc.

Don't be put off by the weak recent performance of these funds with Japanese stocks in their portfolios. They did poorly precisely because Japanese stocks got cheap and are a buy now.

tary Receipts *(see tables above)* is the way to do it. Consider investing half your target sum now and half a year from now. Don't be surprised if the market drops further.

ADRs are receipts for Japanese shares that trade like U.S. stocks on our exchanges. Since the average Japanese share trades at the equivalent of $7, low by U.S. standards, most ADRs are set up to be worth several Japanese shares.

ADRs and mutual funds are very much the way to go. Buying Japanese stocks directly creates a number of additional worries. Did you get a fair price for your trade? What additional charges—like custodial fees to hold the securities in Japan—will you have to pay? What will it cost you to convert your yen dividends into dollars? Will you get timely information on your company?

The round lot in Japan is 1,000 shares, so you will have to buy at least that many. Commissions on the Tokyo Stock Exchange are fixed at about 1.2% for smaller orders, but you can expect to pay more to the U.S. broker that handles your order. Merrill Lynch, for example, will charge 1.7% on its minimum $25,000 Japanese trade. Forget the U.S. offices of Japanese brokerage firms; they cater only to institutional investors.

Can you get the information you need about your Japanese holdings? Yes. Buying through a full-service broker like Merrill or Shearson will help. These and other full-service brokers maintain offices and analysts in Japan. Merrill is way ahead with a number of quarterly and monthly publications with information on specific stocks. Merrill's quarterly ADR review is a good start. Of course, these reports go only to customers with significant account balances. "A couple of hundred ADRs won't cut it," says Mauricio Rodriguez, a Merrill Lynch broker with a number of international accounts.

Don't hold your breath waiting for quarterly reports. "Japanese companies are only required to report the way they do at home, twice a year," says John Meserve, an ADR specialist at the Bank of New York. The 100 or so Japanese companies that offer ADRs provide sketchy quarterly announcements, plus annuals, in English.

Another excellent source of data: *Morningstar Japan*, a biweekly investment letter, in the style of Value Line, that covers 700 equities. It's available for $395 a year from Morningstar's

Chicago office. Or get the *Japan Company Handbook*, published by Toyo Keizai Inc. in New York City. Its two volumes, published quarterly, cover nearly 2,800 companies. The first volume covers what's called the first section in Japan, roughly akin to the New York Stock Exchange. The second volume covers regional and over-the-counter exchanges. Each volume is $55. Also try your target company's 20F filing, a report similar to a U.S. corporation's 10K that the Securities & Exchange Commission requires of every foreign company. Try the company's U.S. headquarters, your broker or one of the services that sell SEC documents. "You'll see information on market share and competition in detail you won't see in Japanese reports," notes Donald Krueger, a global strategist with the Templeton Funds.

What about dividends? They are subject to a 15% withholding tax by Japan. The withholding can generally be credited dollar for dollar against your U.S. tax bill, so it effectively doesn't cost you anything. Investors in mutual funds can often escape this hassle. Those in ADRs cannot. In any case, most Japanese companies make tiny payouts, preferring to reinvest in their business or in shares of other companies with which they are friendly. Thus, if your investment pays off, it will pay off largely in the form of a capital gain. Japan will not tax your capital gains, but of course the IRS will demand its cut of gains earned by U.S. residents.

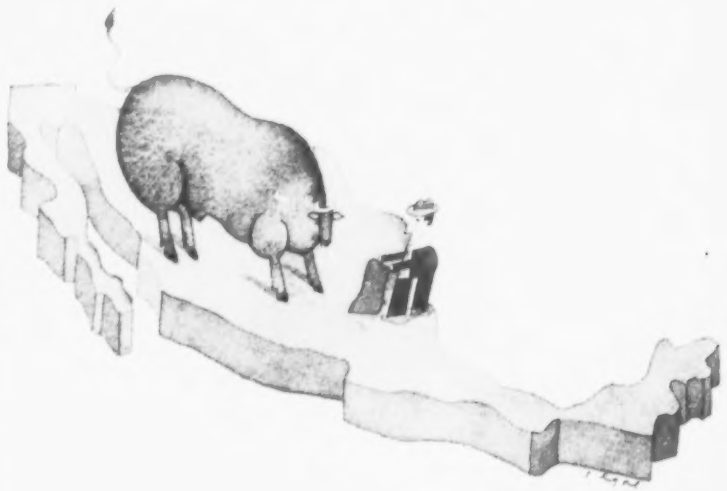
For a list of promising ADRs, we asked Morgan Stanley Capital International to search its database for companies with cash flow growth greater than the national average over the last four years (which came to 9% annually) and prices below the market's average multiple of 8.6 times cash flow.

Our table of funds consists of those no-loads with significant Japanese holdings and the lowest expense ratios. You can also put some weight on performance. But don't choose a Pacific Basin fund simply because it beat some other Pacific Basin fund in recent years. The best performers, by this measure, are the ones with the lowest Japanese exposure. That's the reverse of what you want. ■

Mexico is an economic miracle but a long since discovered miracle. Some of the smart money is already taking its profits on the Bolsa.

Too late?

By Claire Poole



FIVE YEARS AGO, when Mexico was given up for dead by U.S. investors, Teléfonos de Mexico traded over-the-counter at 2½ for each of the company's current NYSE-traded American Depositary Shares. Now everyone wants in on Mexico. Telmex, whose shares went on the Big Board a year ago at 27¼, has since doubled to a recent 56⅞.

Thus with the whole Mexican market. In late March the Index of Prices & Quotes, Mexico's version of the Dow Jones industrial average, topped 1900 before stabilizing recently near 1840; five years ago the index was at an inflation-adjusted 140. With its market capitalization surpassing $140 billion, the Mexican Bolsa is now the ninth-largest market in the world.

No surprise that Mexican companies are taking advantage of the new popularity of their market to raise money in the U.S. At least 20 Mexican companies now traded only in pesos or privately held are expected to tap overeager buyers in the U.S. by raising U.S. dollars via ADR offerings or private placements. *(For a sample, see table, p. 198.)* The new companies would join 20 others that already have stock trading in the U.S.

If your broker offers them to you, tread warily. The Bolsa's price/earnings ratio now averages 15—versus 12 just a year ago. At that level, equities are almost as expensive in Mexico as in the U.S.—which is by no means cheap at current levels. (The S&P 500 is trading at 18 times inflation-adjusted averaged earnings over the last five years.)

Analysts who follow Mexican stocks are loath to say bluntly that the market is overheated, but they will hint in that direction by saying that it is becoming more selective, meaning you have to be very lucky to get a stock that goes up.

A few things to remember:

The Mexican flood

Company/business	1991 sales ($mil)	1991 earnings ($mil)	Recent price ($US)	P/E	Price/ book value	Yield
Apasco/cement	$326	$52	$3.50	16.2	140%	0.6%
Arka/brokerage	34	8	2.03	6.2	140	0.6
Banacci-CCP/financial services	2,148E	516E	6.49	15.0	170	0.0
Comercial Mexicana/supermarkets	1,417	68	1.31	17.2	230	0.7
Desc/diversified	1,593	66	3.36	11.2	110	2.9
GBM-Atla/financial services	307E	50E	4.54	23.0	110	0.0
Gemex/beverages	287	30	8.23	21.3	530	0.0
Grupo Mexico/mining	911	38	2.50	19.1	60	0.0
Maseca/tortillas	357	40	0.79	16.0	340	2.5
Nadro/drugstores	550	18	14.98	14.8	450	0.8
Quadrum/transportation	51	5	5.15	9.2	140	0.0
Sanborn/retailing	323	26	3.55	19.0	160	0.0
Serfin-Obsa/financial services	1,271E	156E	0.45	19.4	130	0.0
Soriana/supermarkets	539	26	3.20	13.6	120	0.0
Synkro/consumer products	183	21	2.10	10.8	160	0.0

Prices as of May 20. E: Estimate.
Sources: Acciones y Valores; Forbes.

Make way for offerings from south of the border. Here's a sampling of those that already trade on the Mexican Bolsa and may appear in the U.S. as ADRs.

Despite its recent strength, the Bolsa is not as liquid as U.S. markets and is even more volatile. Liquidity? Around 70% of the trading takes place in just 20 of the 200 companies listed. Telmex so dominates the Bolsa that news, either good or bad, on this stock can move the entire market. In early March the Bolsa dropped sharply after the Mexican government's announcement that it was planning to place another 5% of Telmex shares in the stock market.

Volatility? Tubos de Acero de Mexico, or Tamsa, is a big producer of seamless steel pipe for the petroleum industry. Last October this company sold 4 million shares outside Mexico at 10¼ in an offering led by First Boston and Obsa International. The stock got as high as 11¼ on the American Stock Exchange, then skidded in early April to 5¼, its lowest level in almost two years. What happened? After reporting one of its best years yet, Tamsa announced that deteriorating exports, which make up half of the company's sales, would seriously affect 1992 results. It's now trading at 6⅛, or eight times earnings.

Those who bought Vitro, the $3 billion Monterrey glassmaker and Mexico's largest industrial conglomerate, weren't much luckier. Vitro sold 6.5 million shares on the Big Board last November at 25⅜ in an offering led by First Boston. After rising to as high as 32¼ in March, the stock dropped to 21⅝, taking the Bolsa with it. Why? Worse-than-expected news that Vitro's net earnings had fallen nearly 20% in 1991 because of debt refinancing costs and higher income taxes. The stock is still down at around 23¼.

Cementos Mexicanos, more commonly known as Cemex, is a $1.7 billion cement producer, the largest in North America and fourth largest in the world. It wanted to raise $1.2 billion in an international stock offering to pay down debt. When investors balked, Cemex's underwriters, led by Morgan Stanley, chopped the offering in half, and ended up selling the stock in April at a 6% discount. The shares are hovering around the offering price of 56,200 pesos ($18) on the Mexican Bolsa; this one is not yet available as an ADR.

What stocks are being packaged for export to Americans? Grupo Desc is one of them. Mexico's fifth-largest industrial group, with $1.6 billion in sales, it plans a $300 million offering sometime this summer, and is trading at 1.1 times book and 11 times earnings. The company, however, is suffering. While its real estate and auto parts divisions are profitable, Desc desperately needs to sell off unprofitable divisions like petrochemicals and dump unrelated divisions like poultry. Last year Desc reported earnings of $66 million—a 20% drop from the previous year—on flat sales. Do you really want to pay 11 times earnings for something whose earnings are going down?

In the industrial sector, it's probably better to stick with the cement and construction companies. Luis Martínez, analyst with Inverlat in Mexico City, likes Cementos de Chihuahua, a privately held subsidiary of Cemex that dominates Mexico's fast-growing Northwest cement market. Cementos de Chihuahua is planning a $130 million initial public offering sometime this year to finance construction of an 850,000-ton cement plant near the border towns of Ciudad Juárez and El Paso.

Hermann von Bertrab, analyst with Arka Securities in La Jolla, Calif., likes $326 million (sales) Apasco, the fourth-largest cement producer in Mexico, controlled by the Switzerland-based Holderbank. Apasco has been taking business away from Cemex, he says, and is better financed. Apasco is also considering an offering.

A handful of Mexican supermarkets are headed for the international markets this year. One is the $1.4 billion (sales) Comercial Mexicana, the third-largest and most profitable supermarket chain in Mexico. Comercial has hooked up with Price Co. to build warehouse clubs in Mexico, the first of which opened in February and is already exceeding its sales goals.

Another is Soriana. The $540 million (sales) supermarket chain, with stores mostly in northern Mexico, hasn't yet hooked up with an American retailer. It's now facing competition from Cifra, which plans to enter Soriana's northern markets this year with its Wal-Mart-inspired discount clubs. Soriana's sales were already flat last year.

Among specialty retailers, Nomura Research Institute's Jorge Suárez likes Nacional de Drogas, or Nadro, Mexico's largest drugstore chain, with $550 million in sales. He also likes Sanborn, the $323 million (sales) combination five-and-dime/coffee-shop chain controlled by Telmex's Carlos Slim. Both are talking about international offerings.

Several Mexican financial groups will be looking for international financing this year and next, hoping to repeat Grupo Financiero Bancomer's $837 million private placement in March by J.P. Morgan. Nomura's Suárez likes Banacci, which consists of recently privatized Banamex, Mexico's largest bank, and Acciones y Valores, Mexico's top brokerage firm (FORBES, *Mar. 30*). He also likes Operadora de Bolsa, or Obsa, Mexico's largest retail brokerage firm, which recently bought Banca Serfin. He recommends avoiding smaller offerings like Arka and Prime, both brokerage firms that haven't hooked up with banks but may have offerings in the next year.

When the public gets into a market, the early birds often get out. There are signs this is happening in Mexico. In April short-selling became legal in Mexico for the first time. That highly successful investor Paul Tudor Jones is said to be shorting Mexican stocks. The fabled George Soros has cut back on his Mexico holdings.

Our advice: Wait for a good reaction before making any major commitments to Mexican stocks.

Right now European stocks look a lot cheaper than U.S. stocks. Here's a smart way to play Europe.

Europe at 15% off

By Suzanne Oliver

BY ALMOST ANY conventional measure, U.S. equities are expensive today. Nearly every market in Europe is cheaper than the U.S. stock market in price to book value, price to cash flow and price to earnings.

Investors who look for value rather than hot trends would be smart to consider European stocks right now. Most of Europe is in a recession. So was the U.S. during 1991, when the S&P 500 gained 30%. That rally was fueled by falling interest rates and anticipation of an economic rebound.

Mark Edwards, a manager of the T. Rowe Price European Stock Fund, expects the same thing to occur in Europe. Recently the U.K. and France cut interest rates slightly. "The Bundesbank may not ease significantly until the first quarter of 1993," says Edwards. "But if people start to sniff interest rate easing, the markets could take off."

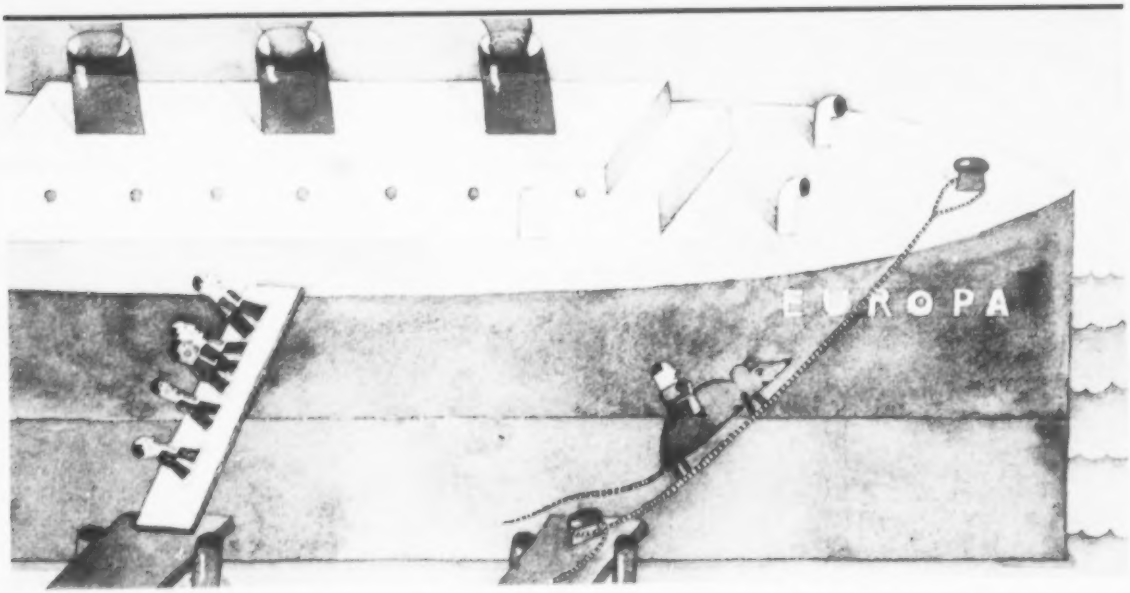
How to play the prospective recovery? You can spend a lot of time learning about European companies or you can buy a good no-load fund and let someone else do the tough job of selection for you. Investors looking for no-load mutual funds do not have many choices. There is the T. Rowe Price European Stock Fund, up 9% in the past 12 months, or the Vanguard International Equity Index Fund European Portfolio, up 11%. The Van-

Discount fares

Fund	Assets ($mil)	Discount	Annual expenses per $100	Yield
Austria	$80	7.2%	$1.68	0.0%
Emerging Germany	126	16.1	1.70	3.1
Europe	102	8.4	1.58	3.0
France Growth	127	13.0	2.14	2.6
Future Germany	179	13.8	1.29	0.0
Growth Fund of Spain	203	13.5	1.23	1.5
GT Greater Europe	178	14.2	1.87	1.2
Irish Investment	46	16.2	1.69	5.5
Italy	64	15.6	1.62	3.7
New Germany	354	13.7	1.13	0.0
Scudder New Europe	157	11.1	1.85	5.7
Spain	119	6.9	1.98	1.6
United Kingdom	40	14.4	1.88	6.6

Assets as of Mar. 31. Yield on market price as of Apr. 30. Cash flow is earnings plus depreciation.
NA: Not available or not applicable.
Sources: Morningstar, Inc.; Morgan Stanley Capital International Perspective; Forbes.

Closed-end funds selling at less than their asset values are a cheap way to get to Europe.



guard fund tracks an index of about 600 stocks from 13 European countries. It has a very attractive expense ratio of only 0.33% (33 cents a year for every $100 you invest). That low ratio is one fifth the average for international funds.

But for more venturesome investors there's a cheaper way to buy Europe today: through closed-end funds. These trade on stock exchanges at prices that can be more or less than their asset values, depending on demand. Currently most European closed-ends are trading at wide discounts to their asset values.

You can get the France Growth Fund at a 13% discount to its net asset value. In the latest 12 months the fund has lagged the French market's 24% rise. That is because fund manager Philippe Cartier has moved the fund into cyclical and interest-rate-sensitive stocks, but the recent rally favored growth stocks instead. The United Kingdom Fund, at a 14% discount, also has weightings in cyclical stocks. Since John Major was reelected, the U.K. market has rallied, but Edwards thinks earnings won't turn up until next year.

Three heavily discounted closed-end funds invest in Germany. Emerging Germany and New Germany Funds invest in small and medium-capitalization stocks. Future Germany holds mostly German blue chips and is a clone of the better-known Germany Fund. Germany and Future Germany are managed by Deutsche Bank's John Abbink, but Germany trades at a 3% discount, while Future Germany has a 14% discount.

The Spanish stock market is down this year, and the three-year-old premium on the Spain Fund has finally dropped to a discount. Still, the larger Growth Fund of Spain is a better buy. Besides outperforming Spain Fund since its 1990 debut, Growth Fund of Spain has a bigger discount and a lower expense ratio than does the Spain Fund.

Italian stocks are Europe's cheapest relative to their book values and cash flows. Those low valuations reflect a lack of confidence in the Italian government and the Italian economy; if you are more sanguine, buy the Italy Fund, managed by Shearson Lehman Global Asset Management. The fund, currently trading at a 16% discount to its net asset value, has had only one up year since its 1986 beginning.

The table opposite lists 13 closed-end funds trading at discounts of 6% or more. You can buy a diversified fund such as the Europe Fund or assemble your own basket of assorted country funds. If your time horizon is short, you are better off at the Vanguard or T. Rowe Price no-loads, where expense ratios are low and you are assured of being able to exit at full net asset value. ■

By three significant measures, European stocks are cheaper than U.S. stocks. ■

What markets cost

Country	Price/ book value	Price/ cash flow	Price/ earnings
Austria	169%	4.7	27.7
France	168	6.9	15.6
Germany	192	4.9	16.7
Ireland	157	9.7	14.3
Italy	110	2.6	14.9
Spain	119	4.8	10.0
UK	200	9.4	16.7
US	228	10.3	23.8

Based on prices as of Apr. 30.
Source: Morgan Stanley Capital International Perspective.

You can make a very good return investing in Latin American debt. Here's how to size up the risks and the rewards.

Looking south for better yields

By Joel Millman

MEXICO, Argentina, Chile and even Venezuela and Colombia are getting their economies back into shape. Borrowers, both corporate and governmental, have the wherewithal to repay dollar debts; even local-currency bonds are turning in good returns for foreign holders.

Short-term government bonds payable in Mexican pesos, for instance, offer a healthy 12.8% coupon, yet the peso has depreciated only 2.7% against the U.S. dollar over the past year. If the peso maintains that kind of strength, a U.S. buyer will net 10%, not bad for short-term debt at a time when U.S. Treasury bills earn but 4%.

Of course, there is no such thing as a risk-free 10% return. If you want to get a piece of the action south of the border, stop long enough to reflect on what has happened to some of the investors who went before you. Cuban bonds were once thought solid, pre-Castro. U.S. banks had to write off tens of billions in Latin loans in the 1980s. In 1982 Mexico forcibly converted dollar deposits at unfavorable rates into rapidly depreciating pesos.

So what's different now? Latin America is finally turning away from socialism and its first cousin, statism. State enterprises are being privatized, taxes are being collected and flight capital is returning in the billions of dollars. Inflation is down everywhere except Brazil.

U.S. investors who want to buy Latin debt cannot, unfortunately, get a pure dose of it through any SEC-registered fund, although many international bond funds have a portion of their assets in Latin America. But there are other alternatives.

One is to buy marketable government securities through a foreign broker. Don't waste your time with the big U.S. brokerage houses. So far they have been interested in buying these securities only for institutional investors. Discounter Charles Schwab simply doesn't handle foreign-currency debt.

A very accessible instrument for smaller investors is the Mexican equivalent of our T bill, called Cete (for Certificado de la Tesorería). Cetes paid rates as high as 24% (discount basis) early last year, and 16% at the beginning of 1992. Lately the rates have been holding steady at around 13%—still attractive in light of the peso's recent strength.

A one-year Cete for 100 million pesos (about $33,000) would cost you a markup of about $75 over its wholesale price. On top of this, you have a currency conversion cost, but the Mexican brokerage firms say this is minimal. Obsa, for example, says that it is willing to buy dollars at only 1 peso less than what it sells dollars for, on trades of $33,000. This equates to a round-trip conversion cost of only 0.05%. Markups and conversion spreads would nick your return on the Cete, but it would still be well above that available in the U.S. except on the junkiest of junk bonds.

Trader Roberto Verthelyi at Oppenheimer & Co. is a bull on Argentina. He has been touting BIC V's (for the fifth series of government Bonos de Inversión y Crecimiento), available in $100,000 chunks. The BIC V is a ten-year self-amortizing bond, with payments (in pesos) currently running at 2.85% of the bond's principal. Of this distribution, 2% is interest (for a compounded yield of 26%) and the rest a return of principal. Convert your monthly payout immediately, even though small trades are expensive in the currency market. Argentina has a law pegging the peso 1-to-1 to the dollar, but then, you never know.

Another option is to walk into a U.S. branch of a Latin bank and ask how to open a peso account with the home office. The bank may wire your dollars south, where they will be con-

Stick with strong currencies

Country	Short-term govt bond rates	Currency depreciation[1]
Argentina	8.1%	–1.0%
Chile	8.0	–2.2
Mexico	12.8	–2.7
Venezuela	38.0	–15.9
Brazil[2]	924.0	–90.1

[1]May 1991 to May 1992. [2]Annualized inflation adjusted, 19% per month. *Sources: Deltec Securities, International Finance Corp.*

A 90.1% devaluation turns a 924% yield into a dollar return of 1.4%.

verted into the local currency. Recent rates on foreign-currency bank CDs: Mexico, 12%; Argentina, 12%; Venezuela, 30% to 40%. Again, there is a haircut on your conversion. The bank will probably offer an attractive rate going into the peso—the banks are hungry for U.S. dollars—while offering a poorer deal when you want to turn your money back into dollars.

Taxes? There's no tax withholding by Mexico. Interest is, of course, taxable to U.S. residents. Currency losses incurred on a debt security are deductible as an ordinary loss, says Monica Sabo of Arthur Andersen's Chicago office.

The final option is to ask a foreign bank or brokerage for information about buying shares of a foreign-

State enterprises are being privatized, taxes are being collected and flight capital is returning in the billions.

operated fixed income mutual fund. Mexico's Bolsa de Valores, for example, carries more than 80 of these open-ended *rentas fijas*, most of them carrying loads of less than 1%. While the account must be opened in Mexico, that doesn't mean the investor has to present himself down there. U.S. offices of the biggest Mexican houses—Arka, Inverlat, Obsa, for example—are all equipped to put you in touch with the home office. The top performer, the Finreal fund sponsored by Inverlat, earned a total (peso) return of 33% last year, or 30% when converted back into dollars. Minimum account, $33,000.

Is it safe to play Latin debt for that extra yield? Not if you are betting grocery money. "The capital flows coming into the region right now are enormous, so it's a relatively safe bet," says Gerard Finneran, managing director of Trust Co. of the West, a highly regarded Los Angeles-based specialist in Latin debt restructurings. "But you have to know when it's time to get off the merry-go-round." Put it this way: The changes for the better in Latin America are probably irreversible, but the probability is a good way from 100%. ■

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BY ERIC S. HARDY

Dean Witter investment strategist William Dodge is betting that in the long run low inflation will enable the economic recovery to sustain itself without any big jump in interest rates. Somewhat a contrarian, Dodge likes big department stores such as May, J.C. Penney and Dayton Hudson, and computer makers IBM, Apple and Dell. His software picks include Microsoft, Novell and Oracle Systems. One of his favorite stocks is pharmaceutical house Bristol Myers Squibb. It shows earnings growth and a dividend yield above the market averages, yet sells for a relatively low 18 times earnings.

Dodge, however, is not bullish on the market as a whole. He thinks it's quite overvalued with the Dow over 3400. The Barra All-US index of about 5,300 stocks sells for 28 times its latest 12 month earnings, nearly 2.4 times book value, and 36 times dividends. All these ratios are high by historical standards and are also high in relation to corresponding ratios in European countries *(see table, p. 201)*.

During the past two weeks the Dow industrials moved into new territory, but with a noticeable lack of enthusiasm. One of the hottest sectors of the market—new issues—may be running out of steam *(see p. 158)*.

A number of other market benchmarks look weak as well, including breadth (the number of advancing stocks to declining ones) and the daily ratio of new highs to new lows. One indicator that still is in positive territory: The Barra All-US index remains comfortably above its 200-day moving average. It has managed this even though the latest close on the All-US index is slightly below the Dec. 31, 1991 level.

The stocks of small companies perform spectacularly well on occasion—such as during most of 1991. But over the past five years, Barra, Inc. reports, an investment in ten-year corporate bonds not only returned as much as small-capitalization stocks but also imposed only about half as much risk on the investor.

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	0.6%	8.5%	-2.9%
S&P/Barra Growth index	1.4	10.8	-4.7
S&P/Barra Value index	0.6	10.8	-0.3
Dow Jones industrials	0.9	13.3	0.0
S&P 500	0.9	7.7	-1.0
NYSE	0.7	8.4	-1.1
Nasdaq	0.7	15.4	-10.0
Amex	0.1	6.1	-6.4
EAFE	1.1	-7.1	-24.5
CRB index[1]	1.8	-4.0	-24.0
Gold	0.2	-7.3	-32.9
Yen	0.7	-6.0	-21.0
Oil	6.8	3.1	-46.7

The best and worst performing stocks[1]

Best	Price	2-week change	1992 EPS[2]	Worst	Price	2-week change	1992 EPS[2]
First Florida Banks	44 1/4	42%	$2.15	Meridian Diagnostics	10 5/8	-29%	NA
System Software Assoc	29 1/4	34	1.36	Software Toolworks	3 5/8	-28	$0.35
Scios	14	32	-0.88	Qual-Med	14 1/4	-25	1.50
Puritan-Bennett	34 1/4	32	1.16	Centel	31 7/8	-24	0.69
BJ Services	15 1/4	28	0.94	HMO America	10 1/2	-24	1.28

The best and worst performing industry factors[1,2]

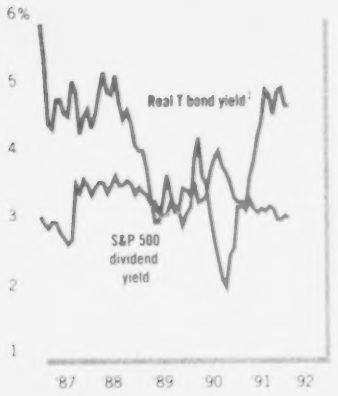
Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Oilfield services	9.6%	6.1%	Tire & rubber	-6.6%	22.3%
Gas utilities	5.5	1.5	Air transport	-5.8	-13.3
International oil	4.7	-0.4	Tobacco	-2.8	4.0
Non-life insurance	3.7	4.2	Consumer durables	-2.2	14.2
Aluminum	2.6	2.7	Telephone	-2.2	-2.5

Note: Data for period ending 5/28/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [1] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [2] Index of 21 commodity futures. [1] Knight-Ridder Financial Information. [1] During the last two weeks. [2] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [1] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

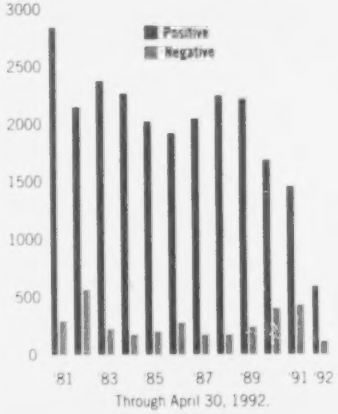
DIVIDENDS REVIEW

BY GILBERT STEEDLEY

Corporate vs. government yields



Corporate dividend revisions



Through April 30, 1992.

Dividends have been going up, but not as fast as stock prices.

Arnold Kaufman, an economist at Standard & Poor's, predicts that close to 1,300 U.S. corporations will raise their dividends this year; only 1,086 did so last year. Kaufman expects that the composite dividend for the S&P 500 index will be $12.80 this year, up 5% from 1991. The 1991 figure was up less than 1% from 1990.

But stocks have raced ahead of these dividend gains. The S&P 500 index rose 6.5% over the past year. Thus the yield, 3%, is slightly lower than it was a year ago.

The table below left lists ten companies that are good candidates for increasing their dividends in the near future. These companies pay out less than 55% of net earnings on dividends. Standard Commercial, which sells tobacco, has raised its dividend in six out of the last ten years and is in good shape to raise it again.

The table at the bottom right shows companies with above-market yields. We searched for companies having a high ratio of earnings plus depreciation (where applicable) to capital expenditures plus dividends. These companies also have a B++ or higher financial rating from the Value Line Investment Survey.

Representative industry yields

Industry	Yield	Payout ratio[2]	P/E	Industry	Yield	Payout ratio[2]	P/E
Auto & truck mfg	5.1%	NM	NM	Household prods	2.5%	40%	25
Banking	4.2	44%	16	Integrated petroleum	4.9	128	28
Basic chemicals	4.5	74	19	Pharmaceuticals	2.2	38	22
Electric utilities	6.6	107	16	Retail	2.0	38	23
Electrical equipment	3.0	40	14	Telecommunications	4.3	60	30

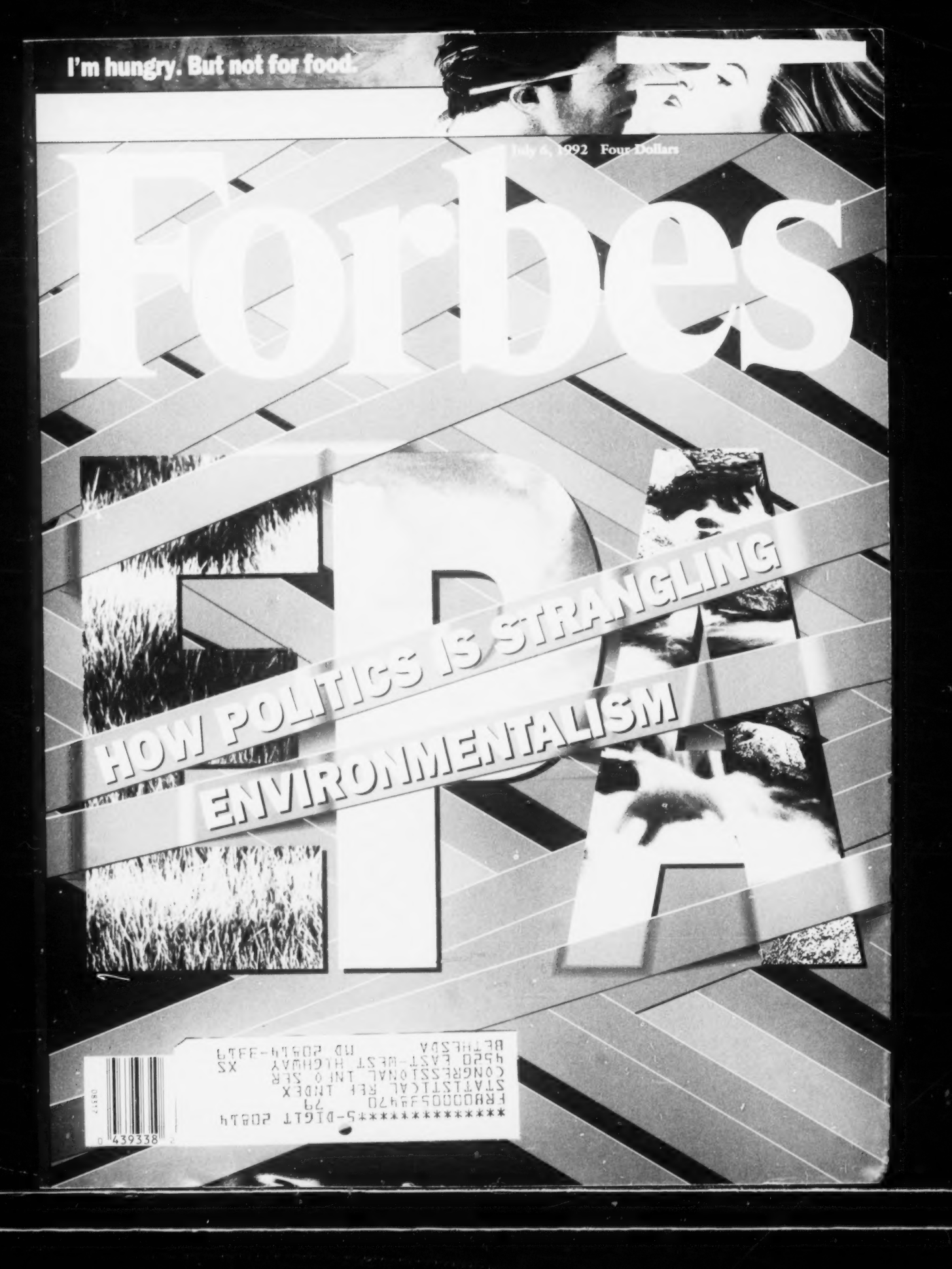
Companies that may raise their dividends

Company	Price	Indicated rate	Yield	Payout ratio	Trailing EPS
Centex	42¼	$0.40	0.9%	18%	$2.21
Crane	27½	0.75	2.7	52	1.43
Ecolab	34½	0.70	2.0	34	2.03
Hechinger	9⅝	0.16	1.7	24	0.66
IMC Fertilizer	46⅞	1.08	2.3	21	5.06
Intl Shipholding	21¼	0.20	0.9	9	2.19
EW Scripps	28⅞	0.40	1.4	40	1.01
Service Corp Intl	27¼	0.56	2.1	37	1.51
Standard Commercial	27⅛	0.52	1.9	25	2.07
VWR	27⅛	0.80	2.9	53	1.51

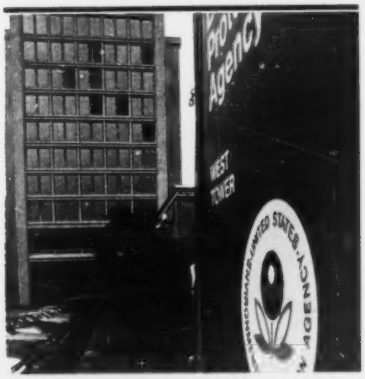
High-yielding stocks

Company	Price	Indicated rate	Yield	Trailing EPS
Aetna Life & Casualty	42⅞	$2.76	6.4%	$5.22
American General	47⅛	2.08	4.4	4.46
California Water	32	1.86	5.8	2.45
Cigna	52	3.04	5.8	7.15
Montana Power	25⅜	1.54	6.1	1.99
National Fuel Gas	25⅛	1.46	5.8	1.89
San Diego Gas & Elec	23⅛	1.44	6.2	1.77
So New Eng Telecom	31¾	1.76	5.5	2.06
Washington Gas Light	35⅛	2.14	6.1	2.49
Wisconsin Public Svcs	27⅞	1.70	6.1	2.32

Note: All data, except where footnoted, as of 5/28/92. [1]Yield on 30-year Treasurys adjusted for inflation using the trailing 12 months' increase in the Consumer Price Index. [2]Capitalization-weighted. Dividends divided by net income; all extraordinary items are excluded. NM: Not meaningful. Sources: Media General, Value Line, via Lotus One Source; Standard & Poor's.


I'm hungry. But not for food.
July 6, 1992 Four Dollars
Forbes
HOW POLITICS IS STRANGLING ENVIRONMENTALISM

Forbes
JULY 6, 1992 VOLUME 150 NUMBER 1



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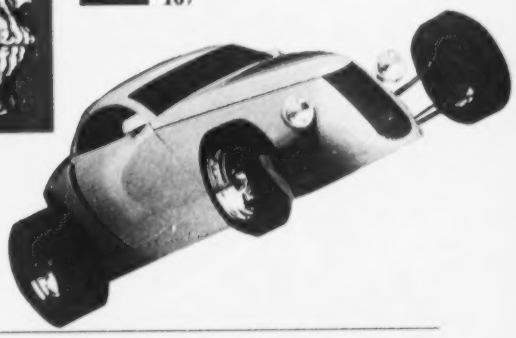

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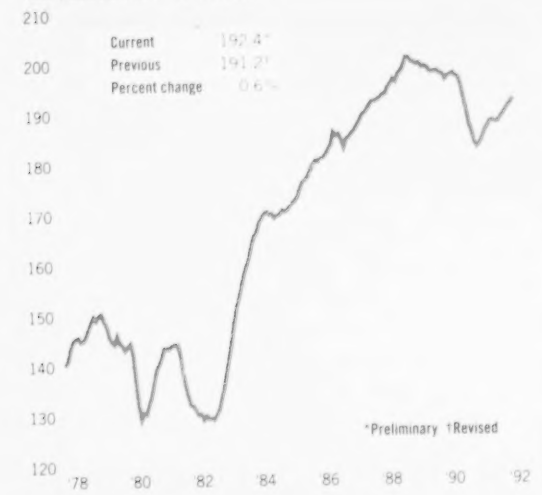
THE FORBES INDEX

BY TIMOTHY DODMAN



Consumer prices rose a scant 0.1% in May, but the Department of Labor's unadjusted producer price index for finished goods (which measures wholesale prices) rose 0.7%. That's the biggest increase at the wholesale level since October 1990. And in the last three weeks Knight-Ridder Commodity Research Bureau Futures Index, a gauge of price expectations for 21 commodities, climbed 2.6%. It is too early to tell whether this is a minor aberration or whether the economy is rebounding and, in turn, sparking off a new round of price inflation.

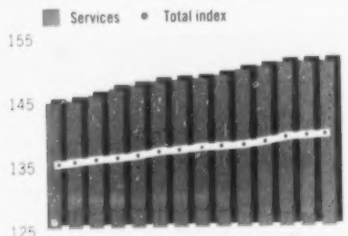
Other key rates	Source	Status
Prime rate	Chase Manhattaq Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.2%
Index of leading indicators Apr vs Mar	Dept of Commerce	0.4%
Trade balance 12 months ended Mar 1992	Dept of Commerce	-$68 bil
All-commodity producer price index May vs Apr[2]	Dept of Labor	0.7%
GDP 1st quarter vs 4th—annualized growth	Dept of Commerce	2.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	1.7%

[1] U.S.-based manufacturers, excludes imports, as of 5/30/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

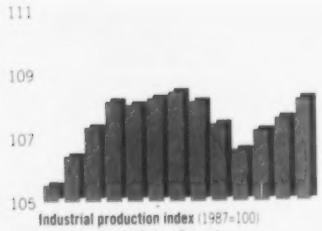
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production; new claims for unemployment compensation; the cost of services relative to all consumer prices; new housing starts; total retail sales; the level of new orders for durable goods compared with manufacturers' inventories; personal income; total consumer installment credit.

To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



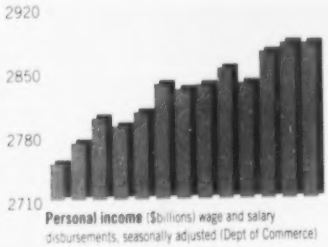
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

Eric Ryback's conservative stock picking has delivered an average 13%-a-year return to investors in the $360 million Lindner Dividend Fund since he took over in 1984. "We look for securities [mostly preferred stocks] with above-average yields and earnings growth prospects," he says. "This makes for a stable portfolio less sensitive to interest rate and stock price swings." Total return on the Lindner Dividend Fund is up 11% this year, while the overall market is down 1%.

Ryback has recently been buying convertible preferreds like the Sea Containers Ltd. Preferred E, which yields 8% even though it's trading close to its conversion price. Another pick: Varity Corp.'s preferred issue, which also yields 8%. Ryback likes Varity not just for its improving earnings picture but also because the company moved its headquarters to the U.S., thus canceling a 15% Canadian withholding tax on U.S. investors.

Special focus

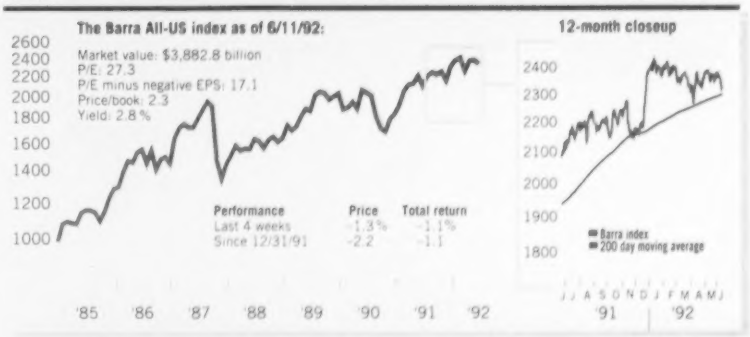
A lot can happen between now and the end of 1993, but if the analysts who report to the Institutional Brokers Estimate System are correct, these stocks look cheap. The ten companies below sell for less than nine times estimated 1993 earnings. And during the past three months analysts have not cut their estimates on any of these companies.

Based on 1993 estimates, the ten stocks below appear to be bargains.

Company	1993 Est P/E
Allied Group	6.8
Am Natl Insurance	8.6
Caesars World	8.8
Chase Manhattan	7.8
Conseco	6.1
CSS Industries	7.9
General Dynamics	8.8
Northrop	5.4
Primerica	7.5
Thiokol	5.1

Source: IBES, via Lotus One Source

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-1.9%	8.9%	-4.8%
S&P/Barra Growth index[1]	-3.1	10.6	-7.7
S&P/Barra Value index[2]	-0.3	12.2	-0.8
Dow Jones industrials	-1.4	13.0	-1.8
S&P 500	-1.9	8.3	-2.6
NYSE	-1.8	8.7	-2.9
Nasdaq	-2.2	15.4	-12.0
Amex	-0.6	6.5	-6.9
EAFE[3]	-0.1	-2.4	-24.5
CRB index[4,5]	2.1	-1.7	-22.4
Gold[5]	1.0	-7.9	-32.2
Yen[5]	-2.4	-11.0	-23.0
Oil[5]	1.8	13.5	-45.7

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Bolar Pharmaceutical	12 7/8	41%	NA	Triconex	10 1/2	-40%	NA
Wetterau	30 7/8	36	$2.25	Curative Technologies	6 1/8	-39	NA
Mercury General	42 3/4	32	4.53	VideoTelecom	8	-33	NA
Hibernia	6 3/8	28	-0.51	Technology Solutions	15	-33	$1.16
Westcott Commun	15 3/4	26	0.58	Altera	12	-32	1.07

The best and worst performing industry factors[8,9]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Iron & steel	8.6%	10.6%	Coal & uranium	-42.2%	-53.2%
Motor vehicles	5.1	43.9	Tire & rubber	-14.4	5.2
Photographic, optical	5.0	-20.0	Drugs	-6.3	-15.7
Leisure, luxury	4.5	21.2	Tobacco	-6.0	-2.0
Misc mining, metals	3.7	8.9	Soaps, housewares	-5.8	-3.6

Note: Data for period ending 6/11/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

WORLD MARKETS REVIEW

BY GUSTAVO LOMBO

Foreign vs. U.S. markets

Developed markets

Market	Total return[2] 3 months	12 months	P/E
Hong Kong	24%	71%	16
Norway	19	-6	NM
UK	12	20	18
Sweden	10	1	20
France	8	25	16
Japan	-10	-22	31
Canada	-6	-6	49
Austria	-6	-9	26
Finland	-4	-22	NM
Italy	-3	-8	19

Emerging markets[3]

	Total return[2] 3 months	12 months	P/E
Region			
Latin America	16%	102%	NA
Asia	-11	-14	NA
Country			
India	53	112	51
Chile	30	83	17
Argentina	19	227	29
Nigeria	-47	-28	10
Turkey	-37	-41	10
Zimbabwe	-28	-68	6

Over the last three months the Hong Kong market returned 24% (including dividends) in U.S. dollars. And since the June 1989 Tiananmen Square massacre, the total capitalization of the Hong Kong market has climbed 171%, to $171 billion. Leon Brand, a foreign-market analyst at Bear, Stearns, predicts that communist China will preserve Hong Kong's capitalist economy. "It is a banking center, an open door to the West and the way to develop their infrastructure," says Brand. During this bull market, the average multiple on Hong Kong stocks is only 16 (versus 24 in the U.S.). Brand thinks that the Hong Kong market is still cheap and that it could gain another 10% before year-end. *(For a related story, see p. 113.)*

What about Tokyo? Japan's Nikkei stock average is down 54% from its Dec. 29, 1989 peak, and Japanese issues are starting to look relatively cheap (FORBES, *June 22*). But Brand argues that continued uncertainty in the financial system and weakness in the economy will delay the recovery in Japanese stocks. Right now Brand favors stocks in the Netherlands, France and Germany.

Who's hot

Company/Country	Business	Price	3-month price change	P/E
Bank of East Asia/Hong Kong	banking	4⅛	54%	26
Ciments Francais/France	building materials	87⅛	52	26
T&N/UK	ind products	3	49	33
Hennes & Mauritz/Sweden	retailing	141½	41	16
Swissair/Switzerland	airline	492½	38	19

Who's not

Company/Country	Business	Price	3-month price change	P/E
Koito Mfg/Japan	ind products	6½	-60%	31
Mitsui Trust/Japan	financial svcs	6¾	-36	42
Alenia/Italy	aerospace	1⅛	-36	15
Natl Bank of Canada/Canada	banking	7⅛	-29	9
NKT/Denmark	ind products	45	-23	18

Cheap foreign stocks

Company/Country	Business	Price	Earnings	P/E
Solvay/Belgium	chemicals	396	$35.72	11
Volkswagen/Germany	automobiles	255¼	22.39	11
Suez (Compagnie De)/France	banking	60⅓	5.01	12
Grand Metropolitan/UK	multicompany	9⅛	0.61	15
Sumitomo Realty & Dev/Japan	real estate	5⅛	0.35	15

High-yielding foreign stocks

Company/Country	Business	Price	Yield	P/E
Trafalgar House/UK	multicompany	2½	13.3%	9
British Aerospace/UK	aerospace	6½	9.4	7
Stockland Trust/Australia	real estate	2⅛	8.6	14
Hoechst/Germany	chemicals	164	7.1	10
DSM/Netherlands	chemicals	64	6.9	10

Note: Data for period ending 5/31/92. Selected stocks have a market capitalization of at least $300 million. [1]Shows price return on the EAFE index of European, Australian, New Zealand and Far Eastern stocks converted into U.S. dollars. [2]Performance numbers reflect both local price change and currency fluctuation. Dividends are reinvested after subtracting foreign withholding tax. [3]For period ending 4/30/92. NA: Not available. NM: Not meaningful. Principal source: Morgan Stanley Capital International Perspective. Emerging markets data provided by International Finance Corporation.

The Forbes International 500 survey

Foreign stocks to buy now

July 20, 1992 Four Dollars

Forbes

THE WORLD'S 291 BILLIONAIRES

Wealth comes to Latin America

Mexico's Emilio Azcarraga Milmo

439338

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"I don't lose sleep over takeover threats. I lose sleep over lost opportunities."
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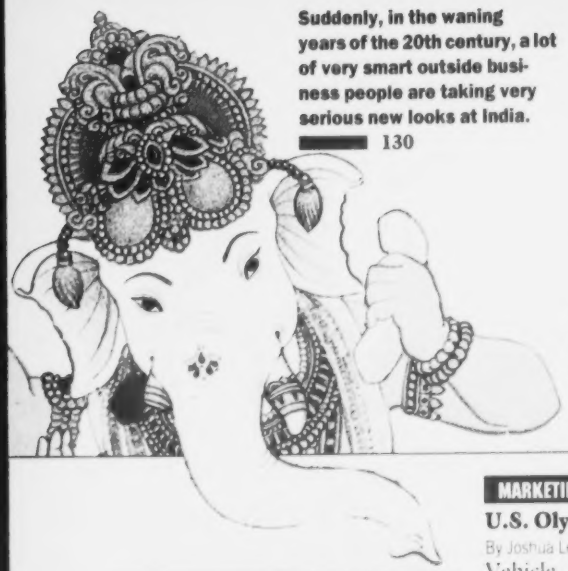

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Cover photo by Sergio Dorantes; computer enhanced.

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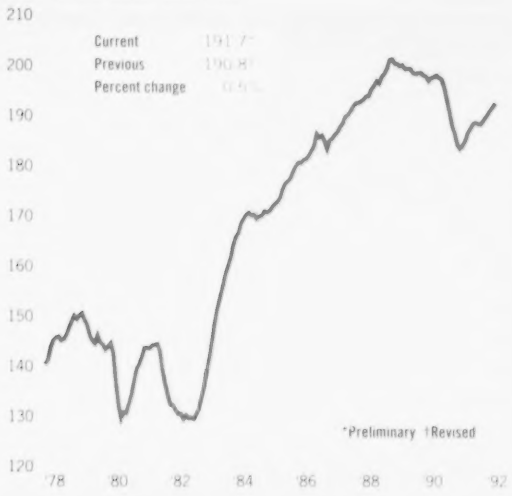
THE FORBES INDEX

BY TIMOTHY DODMAN

The Forbes Index (1967=100)



Wages and salaries rose 0.4% in March but are barely above year-ago levels in real (net of inflation) terms. A 2.4% decline in factory durable goods orders in May indicates demand is far from enthusiastic. And some economic indicators that seemed to be on the mend earlier in the year are once again getting weaker. The sinking economies of America's largest trading partners—Japan and Germany in particular—may make it tough for the U.S. to boost exports. The U.S. trade deficit in April hit $7 billion, the highest monthly figure since November 1990.

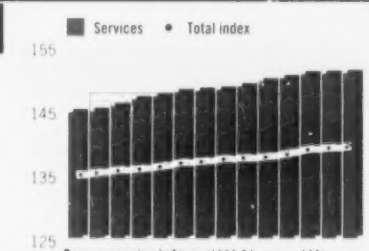
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.5%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.2%
Index of leading indicators Apr vs Mar	Dept of Commerce	0.4%
Trade balance 12 months ended Apr 1992	Dept of Commerce	$66 bil
All-commodity producer price index May vs Apr[2]	Dept of Labor	0.7%
GDP 1st quarter vs 4th—annualized growth	Dept of Commerce	2.7%
M2 (3-month change)—annualized growth[3]	Federal Reserve	0.8%

[1] U.S.-based manufacturers, excludes imports, as of 5/1992. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

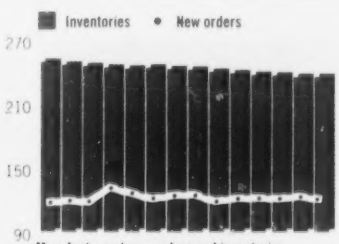
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

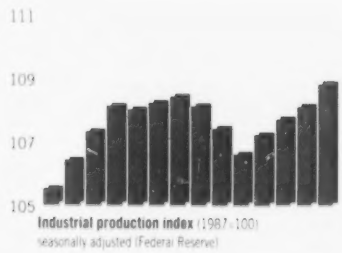
To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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"I lose sleep over lost opportunities," says Quaker Oats Chairman William Smithburg, a man with circles under his eyes.

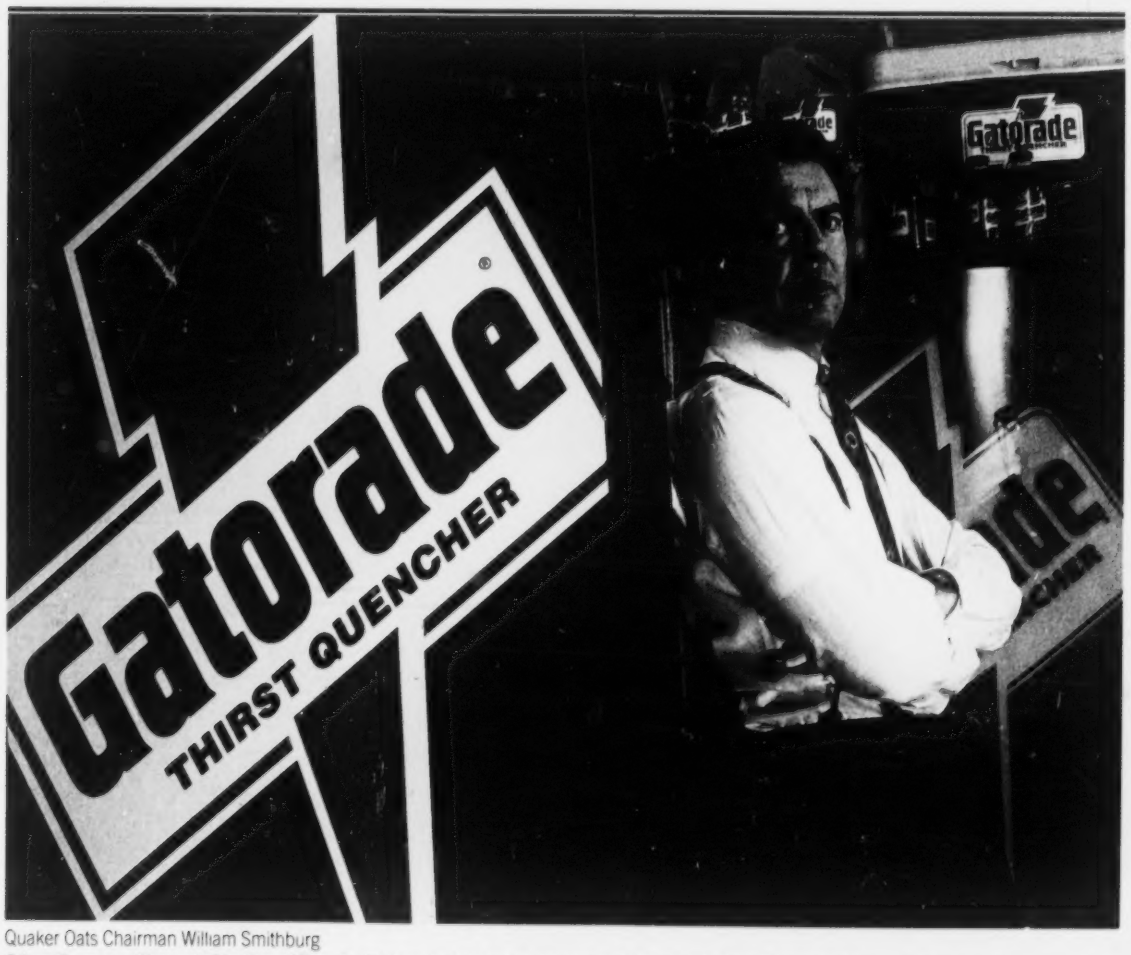
Opportunities lost

By Christopher Palmeri

WILLIAM SMITHBURG is a tough competitor, has been for most of his 54 years. A shy and sickly child, he was afflicted with polio when he was 7, licked it and went on to become a tournament handball player. Today he plays tennis, goes helicopter skiing and enjoys dirt-biking with a small circle of friends who call themselves the A-Team.

So it was no surprise to those who know him that when Smithburg assumed the top spot at the Quaker Oats Co. 11 years ago, he quickly set about getting the company in shape, too. His predecessor, Robert Stuart, had diversified into restaurants, specialty retailing (Jos. A. Bank Clothiers) and toys (Fisher-Price). The branded food goods had almost become afterthoughts.

Smithburg got rid of these diversifications and used the proceeds to acquire several food companies. Last



David Cicconi

Quaker Oats Chairman William Smithburg

A tough competitor outside the office, Smithburg is letting multibillion-dollar markets slip away at home and abroad.

Without leading positions in growth markets, Quaker may always be less profitable and valued lower than its peers.

Following the leaders

Company	Price recent	Price 52-week high	Price 52-week low	Latest 12-mo EPS	P/E	Profit margin	Sales ($mil)	Market value ($mil)	5-year average ROE*	Price/ cash flow
General Mills	66⅛	75⅞	54¼	$2.98	22.2	6.2%	$7,153	$10,917	52.3%	16.4
HJ Heinz	36⅞	48⅝	35⅜	2.42	15.2	8.5	6,647	9,567	27.2	12.5
Kellogg	64½	67	47⅛	2.65	24.3	10.5	5,787	15,510	34.9	18.7
Quaker Oats	54⅞	75¾	50¼	3.25	16.9	3.8	5,491	4,189	24.8†	11.0
Ralston Purina	45⅞	58⅞	46⅛	3.23	14.2	5.3	7,376	5,069	38.1	8.0

*As reported in Forbes' Annual Report of American Industry, Jan. 9, 1992. †Three-year average, to reflect disposal of Fisher-Price.
Source: Value Line, via Lotus One Source.

year every nickel of Quaker's $5.5 billion in sales came from its food and drink brands, which include well-known names like Cap'n Crunch cereal, Aunt Jemima mixes and syrup, Gaines pet food, Gatorade sports drinks and, of course, its namesake Quaker Oats oatmeal.

Wall Street applauded. On a mere doubling of sales and earnings, Quaker's market value has increased seven times during Smithburg's tenure, handily outperforming the S&P 500 index and providing Smithburg with the best kind of takeover defense.

Lately, however, Quaker has started to flag. Its stock, recently at 55, is down 26% so far this year, and it is selling at much smaller multiples of earnings and cash flow than rivals General Mills and Kellogg *(see table)*. Profits in the quarter ending in March were 9% below the year-earlier level; profits for fiscal 1992, which ended June 30, are expected to be flat at $233 million ($3.15 a share). Smithburg explains that a change in the timing of trade promotions is holding back earnings this year.

But now analysts are once again talking of Quaker as one of the next big takeover targets. One of them, Donaldson, Lufkin & Jenrette's food analyst William Leach, figures Quaker's private market value is around $85 a share, a 50%-plus premium to its public market price.

Is Quaker in danger of losing its independence? "I don't lose sleep over takeover threats," snaps Smithburg, in what has become a prepared response to the question. "I lose sleep over lost opportunities."

As Quaker's stagnating earnings and drooping stock price suggest,

SPORTING

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Unigraphics is a computer-aided design and manufacturing system, based on client server technology, that speeds up the design process. With it, Prince can now examine 10 different racquet designs in the time it used to take to examine one. And design **changes that used to take weeks can now be accomplished in days.** As a result, Prince can get its new and

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Smithburg has missed some big ones. Consider Europe. Cold cereal in Europe is one of the fastest-growing food categories in the world; markets like Spain, France and Portugal are growing at 30% a year, as more and more consumers switch from fruit and croissants. Overall, the European market for cereals is expected to double, to $6.5 billion, by the year 2000.

Quaker has been selling cold cereals in Europe since the late 1950s and was beautifully positioned to profit as the market took off. General Mills, by contrast, was a latecomer. In 1989, General Mills approached Quaker about a joint venture in Europe. Smithburg brushed them off, so the General Mills people created a joint venture with Switzerland's Nestlé. Called Cereal Partners Worldwide, the Nestlé/General Mills venture has already passed Quaker in France, where Quaker's share of the breakfast cereal market has been cut nearly in half. Cereal Partners has also taken the number one spot in Portugal and number two spot in Spain, where Quaker's presence was weak.

In the late 1980s Quaker had two opportunities to strengthen its European position by acquiring a British firm with a large share in shredded wheat cereals. That business was ultimately acquired by Cereal Partners.

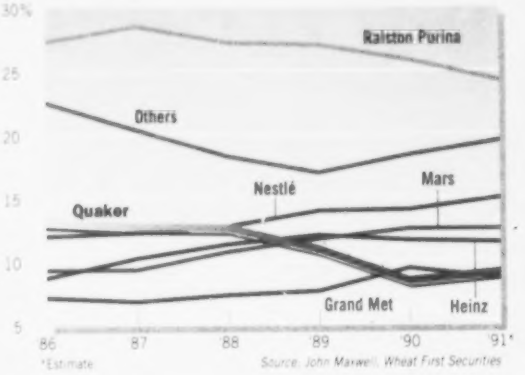
Quaker is still in second place in European breakfast cereals, with about 6% of the market. But on present trends, Cereal Partners, with around 5%, could top Quaker in European cereal sales this year.

In branded consumer goods, market share counts. That's because the players with the biggest shares can devote a smaller percentage of their sales to marketing and still outspend their smaller competitors. "Smithburg hasn't gotten the company large enough to dominate its markets," says Goldman, Sachs' respected food

Quaker bought tired brands in 1986 that gave it no competitive advantage. Now it's playing catch-up.

In the dog house

Pet food market share



*Estimate

Source: John Maxwell, Wheat First Securities

QUESTION:

into better products and better sales?

better products to market a lot sooner.

Response to the Vortex from consumers and retailers has been overwhelming. And Vortex **sales are already 28 percent higher** than Prince's next best-selling racquet.

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analyst Nomi Ghez. "Being number four or five in a market means the business will be far less profitable than number one or number two."

Another of Quaker's missed opportunities is pet food. Quaker has had a presence in pet foods in Europe since the late 1950s. It acquired Ralston Purina's European operations in 1980 and now has 16% of the market, putting it second only to mighty Mars Inc. with a colossal 50% share. But here, too, Quaker is drifting toward third place. The challenger: Nestlé, once again.

In 1985 Nestlé bought Carnation Co., which had a fair-size pet food business in the U.S. and a tiny one in Europe. Nestlé decided to expand aggressively in European pet food. It now sells $500 million a year there and already claims the number two spot in France. The Swiss company could push Quaker (with sales of $680 million last year) into third place before the year 2000.

A mantra among international managers these days is, "Think global, act local." But in Europe, Quaker has acted so locally that its image is fuzzy. In Germany, for example, Quaker is best known as a pet food company. In Italy, Quaker is known as a corn oil company. In Holland, Quaker makes a popular health food cereal; in England, a sugary kids' cereal. In Scandinavia, Quaker's cereal products aren't even sold under the Quaker name.

This is because the company's regional managers were left to their own devices by headquarters in Chicago. Without a strong image across borders, Quaker gets less mileage out of its Common Market promotional expenditures.

Smithburg seems to understand the problem. In 1990 Quaker reopened a European headquarters office in Brussels; it provides centralized marketing and production planning. But it is an indication of Smithburg's tentative approach to Europe that he had closed this office in 1984, and that Quaker Europe is on its fourth president in two years. The new man, Robert Thomason, is the affable former head of Quaker's U.K. operations. A longtime Quaker employee, he is unlikely to make any waves.

At home, things don't look much better. Quaker's fourth-place 7% to 8% share of the $7.8 billion cold cereal market in the U.S. hasn't changed since the mid-1970s. Its last big cereal, Oat Squares, came out in 1987. Since then Kellogg has introduced 13 cereals, General Mills, 10 and Kraft General Food's Post division, 4. In response to a new Kellogg product, Quaker has just come out with a low-fat extension of its 100% Natural line. But still its innovation lags.

Quaker Europe's new president, Robert Thomason

Caught napping in Europe, the company now faces a catfight.

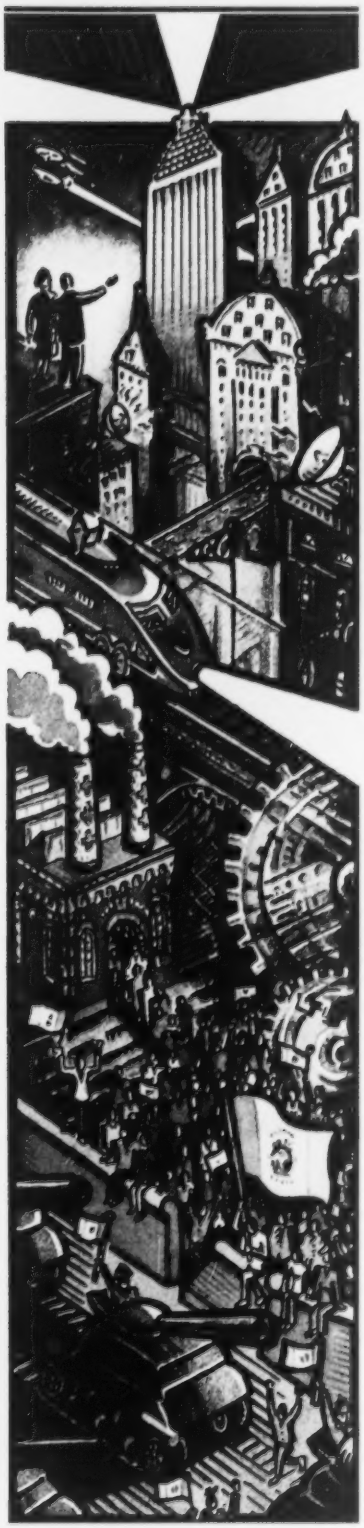
Quaker was the first on the market with a hot oat bran cereal in 1984. But when oat bran's popularity began to rise three years later, Smithburg failed to capitalize on it. The company finally began a $20 million launch of a cold oat bran cereal in late 1989—just months before the oat bran fad crashed. Quaker's Oat Bran now languishes on the shelves.

Smithburg's effort to gain market share in the U.S. pet food business hasn't amounted to much, either. In 1986 he acquired food processor Anderson Clayton for its Gaines pet food division. Gaines catapulted Quaker from fifth place to number two among U.S. pet food makers, but its Cycle and Gravy Train brands were tired products. Sighs Smithburg: "The [Gaines] brands needed more work than we thought." Sensing weakness, Mars and Ralston Purina increased their marketing spending and launched new pet food products, including products aimed at the booming superpremium pet food category. Recently Quaker has refocused on dry dog foods and is regaining some market share, but it is again fifth in pet foods.

Smithburg's one great triumph is Gatorade, which he acquired in 1983 through the purchase of Stokely-Van Camp. At a net cost of $95 million, critics said he overpaid. But Gatorade was his first big acquisition as Quaker's chairman, and for Smithburg the athlete, it was an extension of his personality. Determined to succeed, he spent heavily on marketing the drink, adding new flavors and packages and upgrading the product's sponsorships from stock car racing to the Olympics and Michael Jordan.

His determination paid off. It turned Gatorade from a regional product into an enormously profitable national brand. Sales in the U.S. should approach $1 billion this year, up from under $100 million when Quaker bought it, and foreign sales are beginning to surge. Today Gatorade earns more in a year than Smithburg paid for it.

Why haven't there been more Gatorades at Quaker during the Smithburg years? When asked why Quaker hasn't spent more aggressively to buy and build brands and market share in cereal and pet food, Smithburg responds: "I'm not going to try and outspend Nestlé and Kellogg's." Fair enough. But as Smithburg knows from his Gatorade experience, in consumer brands you've got to pay to play. No risk, no glory. No glory, no guarantee of independence. ■



The world's billionai

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Where to find them

Country*	Page	Number of billionaires
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Australia	186	1
Brazil	158	5
Canada	158	10
Chile	152	3
Colombia	156	3
Denmark	198	1
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Germany	202	44
Greece	196	3
Hong Kong	176	8
India	186	1
Indonesia	181	2
Italy	190	6
Japan	164	34
Korea	181	3
Lebanon	221	2
Macau	177	1
Malaysia	184	2
Mexico	150	8
Netherlands	198	2
Philippines	184	1
Saudi Arabia	214	6
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United States	161	101
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*Plus the Aga Khan IV, page 221.

An index of billionaires appears on page 222.

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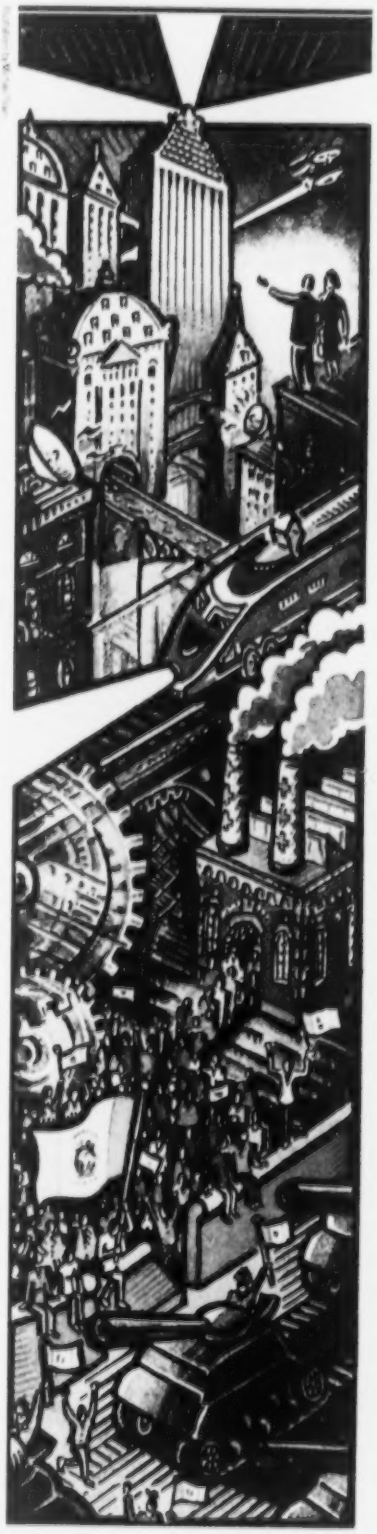


Call it the trickle up phenomenon—as a society grows richer it tends to produce large fortunes. The so-called trickle down theory—which was not a theory at all but a dishonest political slogan—had it all wrong.

Thus, although the U.S. is still the home of more billion-dollar fortunes than any other nation, Germany now has more in proportion to its population and so does Hong Kong. But the big surprise is that the surge of capitalist energy now flowing through Latin America has carried 13 additional Latin American business people to the FORBES listing of world billionaires.

There is nothing sinister about all this. Economic growth requires large-scale undertakings, and the people who most successfully organize these undertakings inevitably accumulate wealth. A simple peasant society is relatively egalitarian. But almost everyone is poor. A capitalist society shows wide disparities of income. But almost everyone is better off than they were in the days when the only way to make a living was by plowing the furrow. Attempts to combine industrial development with egalitarianism—called socialism—have failed miserably and at huge cost in human suffering.

Hong Kong is one of the erstwhile poor places that showed the way to the rest of the so-called Third World. It has been spreading the warm glow of prosperity through the chill of communist China (FORBES, *Aug. 5, 1991*). On page 40 we introduce our readers to Gordon Wu, a Hong Kong capitalist who is playing a leading role in opening China to capitalist penetration and prosperity.

The meaning of all this is quite clear: We needn't love our billionaires, but we should be grateful we live in a society that keeps creating new ones.

The Americas

Latin America

By Joel Millman

On this list last year, 8 Latin billionaires were visible. Now there are 21. Others crowd behind. When entrepreneurs flourish, so does an economy. Latin America didn't rise from the sea like Atlantis in reverse; it has close to 450 million people and a rich history. But for too long it suffered under socialism and its first cousin, feudalism. Having survived harsh economic and political conditions, these Latin billionaires are tough and smart. They are ready to become much larger players in the global economy.

What began in the 1970s in Chile as radical free-market heresy is now gospel in an entire continent.

Mexico

Mexico was the next Latin American country after Chile to put on the mantle of freer markets and freer economies. Being bigger (pop. 82 million), richer (all that oil) and nearer the colossus to the north, it has grown the most. No surprise, then, that this once poor country has created more billionaires than any other Latin nation.

Emilio Azcarraga Milmo

Net worth: $2.8 billion

Emilio Azcarraga may be the richest man in Latin America. In 1930 his father founded one of the country's first radio stations and built it into a Mexican communications empire before he died, in 1972. Emilio has built on that and today controls radio, TV, publishing and satellite properties under the corporate banner of Televisa, now a publicly held stock. If not an actual monopoly, Televisa dominates Mexican media and is a power wherever Spanish is spoken.

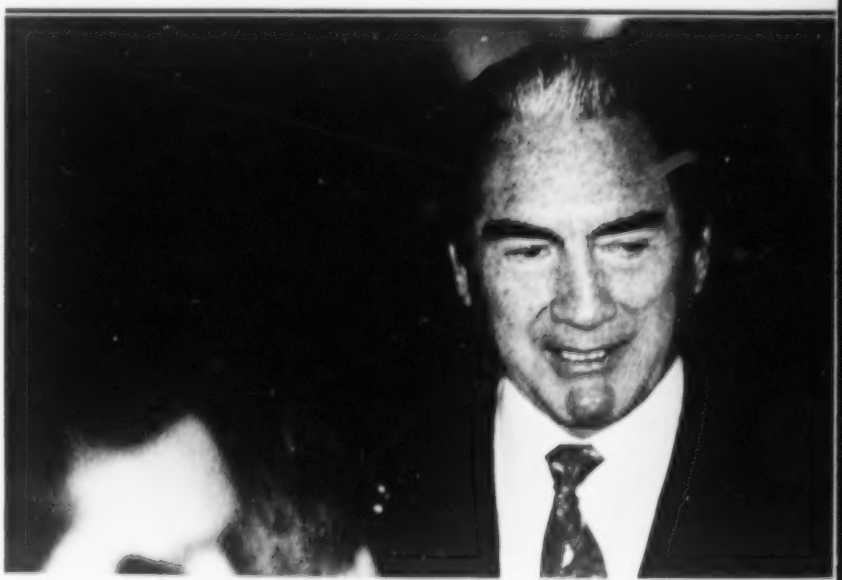
So secretive is Azcarraga about his business affairs that nobody could make even a rough estimate of the Azcarraga wealth until last December when he opened his books in connection with a public offering of Televisa shares. The market valued Televisa at $3.4 billion. Azcarraga owns 65% of the 309 million shares.

Not absolutely everything Azcarraga touches turns to gold. He lost heavily with his ill-fated U.S. venture, *The National*, which was launched in 1990 as the U.S.' first all-sports daily. The paper lost $150 million before Azcarraga shut it down last year. But the fiasco was a blessing in disguise to the Mexican mogul. Upset with his management, his minority partners in Televisa, Romulo O'Farrill and Miguel Aleman—son of the former president—agreed to sell out to him. Azcarraga had no trouble raising the money, thanks to the public share offering and some asset sales.

In the weeks following its going public, Televisa bought 49% of Chile's only private TV network, Megavision. Azcarraga also began talks with Venezuela's Cisneros Organization (owner of that country's biggest private TV network) to forge a regional programming and broadcasting empire. Televisa also has deals in Argentina and Brazil.

Nicknamed "El Tigre"—as much for his uncanny ability to pounce at the right time and for his toughness as for the cowlick of white in his otherwise black hair that resembles a tiger's tail—Azcarraga shuns the media. What's known is that he is 61 and attended Culver Military Academy but left without graduating. He was born in San Antonio; his mother was an American citizen. But when he became 18 Emilio Azcarraga chose Mexican citizenship.

As his nickname implies, Azcarraga is tough. Televisa demands that all advertisers pay for what usually amounts to two-thirds of their year's worth of advertising before Jan. 1—an interest-free loan to Televisa. Un-



der Mexico's inflation-adjusted accounting principles, Televisa becomes a "debtor" to its customers, owing purchased commercial minutes that are whittled down throughout the year.

Televisa and all other broadcasters have the rare privilege of paying their Mexican federal taxes in kind: by airing public service announcements for government ministries.

In the the mid-1980s Televisa was forced by the U.S. government to divest its interests in U.S. Spanish-language TV stations. Without the stations Azcarraga no longer wanted Televisa's U.S. Spanish network, SIN; he sold it to Hallmark.

That the tiger is ready to pounce again in the U.S. became clear at a meeting of Mexican business leaders and U.S. Commerce Secretary Mosbacher in Monterrey over a year ago. Azcarraga bluntly demanded to know whether the proposed Free Trade agreement meant he would be able to own TV stations in El Norte. The answer was ambiguous, but Azcarraga knows time is on his side.

Thus in April he joined a consortium of investors (including the Cisneros brothers of Venezuela, fellow FORBES billionaires) to buy back the old SIN network, now called Univision. The new owners probably got a bargain, since Hallmark couldn't make a go of it. Meanwhile, Televisa's U.S. cable network, Galavision, already reaches Hispanic homes from Chicago to Los Angeles.

The Tiger is on a roll. In April Azcarraga announced he would raise advertising rates by 15% in 1993 as Mexico's boom continues. Then, when the Mexico City Bolsa took a tumble in June, he announced Televisa would buy back up to $30 million worth of its shares at the depressed prices.

Azcarraga (left) and Televisa studio
From a Mexican base may come Spanish TV from pole to pole.

Arango brothers

Net worth: over $1 billion

Jeronimo Arango, 66, is chairman of Cifra, the largest discount retailer in Mexico City and northern Mexico (FORBES, *Aug. 5, 1991*). He cofounded and co-owns the company with his brothers Placido, 61 (who lives in Spain), and Manuel, 55. Cifra has a joint venture with Wal-Mart to own and operate most of Cifra's new stores.

Lorenzo and Marcelo Zambrano

Net worth: $2 billion

The nephew and uncle run family cement company Cemex, started in 1906. They raised cash through debt and equity offerings during the late 1980s to acquire competitors. Cemex is now the predominant Mexican producer, with two-thirds of the booming market. The company was penalized for dumping cement in the U.S. in 1990. Marcelo, 68, chairman; Lorenzo, 48, a Stanford grad, is CEO.

Carlos Slim Helu

Net worth: $2.1 billion

The son of a Lebanese immigrant, Slim started construction, real estate and stock brokerage firms in the mid-1960s. He used cash flow to buy control of depressed Mexican companies in early 1980s. His Grupo Carso mushroomed as the Mexican economy came back in the late 1980s. He bought control of Teléfonos de México in 1990 (FORBES, *Sept. 16, 1991*). We call Slim, now 52, "El Conquistador"; it is an apt nickname.

Garza-Sada family

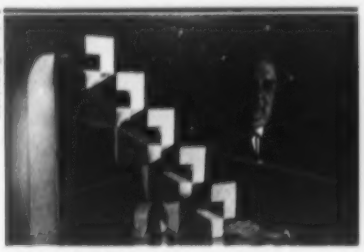
Net worth: $3.8 billion

Interrelated branches of the Garza-Sada families control steel and petrochemicals company Alfa; glassmaker Vitro (which owns Anchor Glass in U.S.); plastics and chemicals firm Grupo Cydsa. Another major holding of this Monterrey-based family is Femsa, producer of Dos Equis and Tecate beer. The Garza-Sadas' bank, Banco Serfin, was nationalized in 1982 but is now back in family hands.

Roberto Hernandez

Net worth: over $1 billion

Hernandez, 50, cofounded the respected Mexico City-based stock brokerage firm Acciones y Valores in 1971. His wealth grew on canny investments made in depressed Mexican stocks in the early 1980s (FORBES,



Marcelo Zambrano
The king of Mexican cement.

Hernandez (left) and Harp Helu
Classic story: Buy low, ride high.

Apr. 16, 1990). In February he acquired Banco Nacional de México from the government. A holding company, Banacci, controls both the bank and the stock brokerage firm. Hernandez owns 10% of Banacci.

Alfredo Harp Helu

Net worth: over $1 billion

Harp, 48, is the first cousin of billionaire Carlos Slim Helu. He went to college with Roberto Hernandez, with whom he cofounded Acciones y Valores. Like Hernandez, Harp owns 10% of holding company Banacci.

Eliodoro Matte
The Mattes' own bank financed them.

Chile

Anacleto Angelini

Net worth: $1.1 billion

Most lucrative Angelini holding is 30% control of Chile's big conglomerate Copec, whose gasoline stations dot the country and which owns petroleum, pipelines, refining, distribution and liquefied natural gas plus forestry and retailing. Angelini lined up partners from New Zealand and bought Copec from Cruzat Group, when the giant conglomerate crashed in Chile's 1982 slump. Clan head Anacleto Angelini, now 78, emigrated from Italy with late father in 1940s, opened paint factory and construction business.

Luksic family

Net worth: $1.1 billion

Originally Croatian, the Luksic family owns Banco O'Higgins (named for Chile's national liberator Bernardo O'Higgins), prominent in the debt-for-equity deals that helped get Chile's boom going. The family group, founded by two brothers, Vladimir and Andronico, and run by the latter's sons, Guillermo, 36, Jean Paul, 27 and Andronico Jr., 38, controls assets stretching from Antofagasta Railway in the northern Atacama Desert to CNT Telefónica del Sur, the phone company serving Chile's southern fjords.

The family has diversified into brewing, hotels, farming and TV, plus stakes in two of Chile's biggest private mines, Los Pelambres and Lince. Its Madeco, S.A. does smelting and makes copper cable. Today the Luksics look outward, linking with South Korea's Lucky Goldstar and South Africa's Anglo American and having absorbed Argentina's Indelqui. They're looking to expand in brewing and beef, also in Argentina.

Matte family

Net worth: over $1 billion

Old line landholders dating to Spanish rule. Core of their modern wealth is La Papelera, a big paper company based on Chile's rich southern forests, that exports its products throughout the world.

Also own Banco Bice, one of Chile's largest. Today patriarch Eliodoro Matte Ossa, 85, and sons look to neighboring Argentina. Chile has become so prosperous that it is a source of capital in Latin America.

Argentina

Rocca family

Net worth: over $1 billion

Agostino Rocca (d. 1978) was Benito Mussolini's steel minister before immigrating to Argentina in 1945 and founding Techint Group, a steelmaking and construction outfit, in 1946 (FORBES, *Dec. 23, 1991*). Under son Roberto, now 70, Techint has expanded into oil exploration, waste management and toll roads. Its steelworks, Siderca, sells seamless pipe for oil drilling. Under Argentina's privatization program Techint has picked

Roberto Rocca
Just an affluent Italian-American.

up a railroad. Soon they will be bidding on the big Somisa steel mill, which has been losing $1 million a day under the direction of the army.

The Roccas, still Italian citizens, deny they are even close to being billionaires. FORBES disagrees.

Perez Companc family

Net worth: $2 billion

The Perez Companc clan owns 62% of the shares in their publicly traded Compañia Naviera Perez Companc. Founded 46 years ago, the company runs everything from the former King Ranch holdings on the pampas to nuclear power to Argentina's largest private bank (Banco Rio de la Plata). It is also exploring new ventures in the U.S., Peru, Brazil, Uruguay.

In the late 1980s Perez Companc and some partners bought up Argen-

tinean sovereign debt at pennies on the dollar; in 1990 they traded the debt to the government for an interest in the state-owned telephone company, which was split into two entities—Telecom and Telefonica. When the state took them public in 1991, Perez Companc's $120 million investment was worth some $500 million.

The family is led by two surviving grandchildren of the company's founders: 57-year-old Gregorio Perez Companc and his 72-year-old sister, Alicia.

Colombia

Colombia is bigger and richer than many think: 32 million people and a thriving noncocaine economy. Its bolsa has nearly quadrupled since early 1991 (to a recent market cap of $8.1 billion). Many South America watchers believe Colombia will be the continent's next country to take off.

Julio Mario Santo Domingo

Net worth: over $1 billion

Santo Domingo, 66, controls 75% of Santo Domingo Group. Started by his father ("I am a product of inheritance," he says), it owns Colombia's Bavaria S.A. brewery and Avianca Airlines. Bavaria is the world's fifth-largest brewer; it acquired two breweries in Ecuador in 1983 and Portugal's Central de Cervejas last year, giving Santo Domingo virtual monopolies in Colombia and Ecuador, and about a 50% market share in Portugal.

Avianca was in terrible shape when Santo Domingo took control in 1985, buying out his rival, the Ardila Lulle Group. But there was nostalgia: Julio's father was reportedly the first Colombian to fly over Colombia. Santo Domingo will continue to invest to rescue the airline. Other assets include Banco Comercial Antioqueño, Colombia's third-largest private bank; an insurance company; and a nationwide TV and radio network.

Like many Colombians, Santo Domingo despises Colombia's drug lords—in 1989 the so-called Extraditables blew up an Avianca jet in midair (107 killed). Avianca long ago dropped out of the cargo business because so many flights arrived in the U.S. carrying drugs. With Colombia considered the next boom market in Latin America and the publicly traded shares of the Santo Domingo Group's companies racing ahead, there will be easier ways to make money.

Pablo Escobar Gaviria

Net worth: over $2 billion

Ochoa family

Net worth: over $2 billion

And what of the narco billionaires? They're relaxing, in "jail."

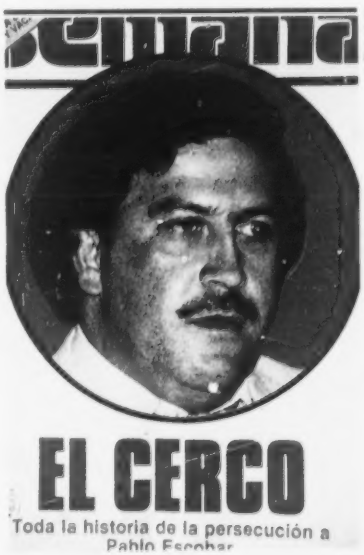
Escobar Gaviria, 42, cofounder and head of the Medellín cocaine cartel, is in his self-designed prison in Envigado, Colombia, widely believed to still be running his cartel and managing the $2 billion he probably took out of the 1980s cocaine boom. Escobar's Medellín cartel cofounders, the Ochoa brothers Juan David, 44, Jorge Luis, 42, and Fabio Jr., 35, are also in comfortable Colombian jails. Among them, the Ochoas are believed to have cleared over $2 billion from the cocaine trade.

The Medellín cartel is being overtaken by the Cali cartel, which may now have two-thirds of the cocaine market. But the thugs who run Cali haven't been in business long enough yet to have accumulated a billion.

Escobar and the Ochoas clearly have talented people moving and laundering their billions of ill-gotten proceeds. Says one police source: "We are always chasing our tail on this, because they are always way ahead of us in terms of their innovative laundering techniques."

But perhaps the police are looking too closely at high-tech techniques. Electronic fund transfers leave trails. Some sources whisper that the Ochoas and Escobar may be moving their money into Colombia from the U.S. the old-fashioned way, in planeloads or sealed oil-drum loads of untraceable greenbacks. Colombia's liberalized foreign trade rules help other local businessmen move their goods. Why not the drug lords, too?

–Pablo Galarza



Escobar and his "jail"

Ordering more planes, oil drums.

Venezuela

Cisneros brothers

Net worth: over $1 billion

The $1-billion-plus Cisneros brothers, Gustavo, 47, and Ricardo, 43, run Venezuela's biggest private business, with aluminum, supermarkets and television. In February those TV stations came in handy, giving President Carlos Andres Perez a forum to denounce a military coup in progress.

Overseas they've long had British real estate, and in the U.S., Spalding sports equipment and Even-flo baby supplies. Their Venevision is about to launch the Spanish Cable Network in the U.S. They already sell program-

ming to 25 countries, a market that will grow as state television networks privatize and incomes rise. The Cisneroses are considering U.S. broadcast TV, maybe teamed with Mexican broadcasting billionaire Emilio Azcarraga Milmo *(see Mexico)*, whose Televisa already does program swaps with them.

Brazil

While Chile and Argentina privatized and encouraged growth, Brazil talked about it but did little: Much of the economy still falls under state control, and too many Brazilians retain a vested interest in hyperinflation—still running at 25% a month, despite price controls.

But even Brazil is stirring. Brazilians have begun, painfully, to form a consensus about reforming their economy. State industries really are being privatized, private companies are returning to the bond markets for expansion money, and equity markets are rising.

Four of the five Brazilian billionaires began in the construction business, but all have diversified widely.

Ermirio de Moraes family

Net worth: over $1 billion

Ermirio runs the family conglomerate, Votorantim. It has over 50% of Brazil's cement market, and is big in aluminum, mining, paper and chemicals. The conglomerate is adding citrus by buying orange groves to produce and export juice.

Roberto Marinho

Net worth: over $1 billion

At 87, the builder of the $1 billion (sales) *O Globo* newspaper and *Rede Globo* TV-based conglomerate (from his father's single newspaper) is presently launching Brazilian cable TV. He hopes to participate in the privatization of Brazil's state-owned telecommunications systems, which serve half the continent and 150 million people. He's looking to practice with Portugal's newly privatized TV network.

Almeida brothers

Net worth: $1.3 billion

Cecilio, 62, and Enrico, 56, founded C.R. Almeida in 1954. The favored construction company in Paraná state, it built highways in the São Paulo-Curitiba corridor and is now looking for overseas contracts. Four Almeida sons help run the group, which is worth at least $1.2 billion and is diversifying into heavy construction and chemicals.

Andrade brothers

Net worth: over $1 billion

Gabriel, 66, and Roberto, 77, cofounded Andrade Gutierrez in 1948 with fellow engineering student Flavio Gutierrez. They built interstate highways, then dams, then urban projects—including Brasilia's subway. The brothers' two-thirds of the company is worth about $1 billion. Also active internationally, in Portugal, Zaire, Colombia, even building a condominium in Orlando, Fla.

Sabastião Camargo

Net worth: $1.2 billion

Founder of construction-based conglomerate Camargo Correa, the government's preferred builder for São Paulo state (20% of Brazil's population, over one-third of its GDP), Camargo's three sons are in the company but, at 83, he still won't let go. Worth at least $1 billion. Also involved with chemicals.

Canada

By Linda Killian

Edward S. (Ted) Rogers

Net worth: $1.1 billion

Rogers' father died when he was five, leaving an estate in disarray. All the assets, including his Toronto radio station, had to be liquidated. Ted Jr. never forgot. "I wanted to restore his name," he told FORBES. "I've always been driven by that." Now 59, Rogers has built Rogers Communications Inc. into a multibillion-dollar cable TV, cellular and telecommunications business (FORBES, *Feb. 19, 1990*), making him a new billionaire. Most important, he says, is ensuring that the company continues after he's gone. His four children show interest in the company, but his successor will be a professional manager. This year the company issued stock to pay down some of its $1.5 billion debt—and Rogers sold 6 million personal shares to pay off his own loans. But he's still building. Next Rogers plans to offer long distance phone service, competing against Bell Canada. Thanks to interest costs and depreciation charges, Rogers hasn't made a profit in ten years. "It's really stupid," says Rogers, "to cut out your long-term growth for short-term profitability."

Kenneth Roy Thomson

Net worth: over $6.2 billion

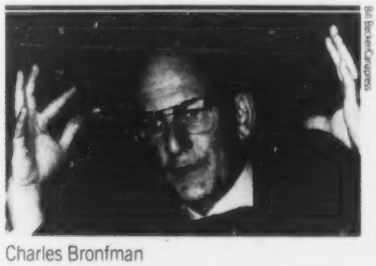
Thomson Corp.'s stock has held steady as other publishing, travel and retailing companies have suffered in the recession. Reasons: Under the attentive oversight of Kenneth Thomson, 68, the company runs small-town monopoly newspapers in the U.S. and Canada, and low-overhead niche titles like the *American Banker*.

The chief competitor of its British travel division has gone bust. Even Thomson's once-troubled Hudson Bay Co. is faring better than most Canadian retailers. On the family front, Lord Thomson's eldest son David, 35, is being groomed to take over the empire.

Charles Bronfman

Net worth: $2.2 billion

Since selling his Montreal Expos baseball team last year for $100 million,



Bill Brett/Outlook

Charles Bronfman

Israel's made more than baseball.

Bronfman, 61, has put more money into troubled Cineplex Odeon to help pay down debt. His voting share is now up to 36%; it's worth around $50 million. Meanwhile, his Israeli investments—including ECI Telecom, Teva Pharmaceuticals and Optrotech, an electronics firm—are doing well and are together worth about $500 million. Value of the 17% of Seagram he inherited from his father: $1.7 billion.

K.C. Irving and sons James, Arthur and Jack

Combined worth: over $5 billion

In New Brunswick, the saying is you either work for the Irvings, do business with them or compete against them, but there's no way you can avoid them. The Irvings own gas stations, oil refineries, shipyards and ships, paper mills, forests, media properties. Founder Kenneth Colin, 93, is ailing, but sons James (Oily), Arthur (Gassy) and Jack (Greasy), all in their 60s, have reputations for hard work. They continue to expand in the U.S., where they already own over 300 gas stations and convenience stores in New England. A source close to the family says they won't be happy until their empire reaches Florida.

Garry and Galen Weston

Net worth: $2.2 billion and $1 billion, respectively

Galen Weston, 51, plays polo with the Prince of Wales and runs and owns 57% of Toronto-based grocery store and packaged food giant George Weston, Ltd., founded by his grandfather. He is dipping a toe in the U.S. food market with Crispy Crunch—the biggest-selling chocolate bar in Canada—and chocolate chip cookies and other packaged foods that the company makes for Wal-Mart and other chains. He also has a residential development under construction in Vero Beach, Fla. His Toronto-based Holt Renfrew is a tony chain of department stores, much like Henri Bendel or Bergdorf Goodman.

Brother Garry Weston, 65, is based in London, where he is chairman and 63% owner of another food giant, Associated British Foods, with interests in baking, grain trading and packaged foods. Profit is down slightly because of the cost of the late-1990 acquisition of British Sugar Plc., for $1 billion.

Eaton family

Net worth: over $1.2 billion

In recent years T. Eaton Co. Ltd., Canada's preeminent department store chain (estimated sales, $2.1 billion), has donated over $150,000 to Prime Minister Brian Mulroney's Tories. Last fall Mulroney named Stefan Eaton, 54, to be Canada's ambassador to Great Britain. Fred's brother, George Ross, 46, replaces him as company president. Two other brothers—Chairman John Craig, 55, and Thor, 49—help run the 123-year-old family company, Canada's third-largest retail chain behind Sears and Zellers. Through their stores, the Eatons own prime downtown real estate in major Canadian cities. They also hold 53% of public Baton Broadcasting, with 17 TV stations in Canada.

Are the Reichmanns in trouble?

Paul Reichmann
At bay.

DON'T BET on it (FORBES, *July 22, 1991*).

Gulp! We sure blew that one.

Figuring private individuals' net worth requires endless intelligent digging, but in the end what we have are only highly educated guesstimates. Most are surprisingly close to the mark, but from time to time our estimates go haywire. We blush over our 1991 estimate for Canada's Reichmann brothers—Albert, 62; Paul, 60; and Ralph, 57.

We figured their net worth at about $7 billion. But in May an account filed with the Ontario Court of Justice said debts of the Reichmanns' development company, Olympia & York, exceeded its assets by $2 billion.

We seem to have been off by a nice, round $9 billion.

Actually, it wasn't that bad. An analogy: Suppose you buy a $100 stock on 50% margin. The stock drops to $45. If you're forced to sell into a distressed market, you're wiped out. After you sell, the stock may rebound—it was always worth more than $45 a share. When you are in financial trouble it isn't what property is worth that matters; it's what the market will pay.

We greatly underestimated the impact of the real estate slump on the current market value of even prime properties. We had plenty of company—including some of the smartest banks in the world.

Are the Reichmanns really underwater? We doubt it. Take Canary Wharf, the Reichmanns' 71-acre office and commercial project in the London docklands. O&Y sank around $3.2 billion into the project. Debt on it is just $2 billion—but the project is still in the development stage and cannot on its own throw off enough cash to meet that relatively small amount of debt.

Did the Reichmanns' assets really shrink by $9 billion in just one year? Of course not.

We were overgenerous in our assessments a year ago, but the market is unrealistically low today. We think that when the smoke clears, the Reichmanns will still be very rich. But for now they are off our list of the superrich. –L.K.

Made in America

Just over one-third of the world's billionaires are U.S. citizens. By our figures, there were 101 individuals or families in the U.S. with an estimated net worth of $1 billion or more out of a world total of 291. Germany, perhaps in part because it has minimal estate taxes, has proportionately more billionaires. With less than a quarter of the U.S. population, Germany has 44 billionaires or billionaire families. And even though the Japanese stock market and realty crashes have eliminated 7 billionaires from our list, Japan still has 34 individuals or families who qualify. Biographical and financial summaries of the American billionaires will appear in the eleventh annual Forbes Four Hundred issue this fall.

Name/Source of wealth	Net worth ($billions)
Gates, William Henry III/Microsoft	$6.4
Kluge, John Werner/Metromedia	5.9
Walton, Alice L./Inheritance (Wal-Mart Stores)	4.8
Walton, Jim C./Inheritance (Wal-Mart Stores)	4.8
Walton, John T./Inheritance (Wal-Mart Stores)	4.8
Walton, Helen/Inheritance (Wal-Mart Stores)	4.7
Walton, S. Robson/Inheritance (Wal-Mart Stores)	4.7
Buffett, Warren Edward/Financier	4.4
Wexner, Leslie Herbert/The Limited	3.7
Hillman, Henry Lea/Industrialist, venture capital	3.3
Arison, Ted/Carnival Cruise Lines	3.3
Redstone, Sumner Murray/Movie theaters, investments	3.2
Allen, Paul G./Microsoft	3.1
Newhouse, Samuel Irving Jr./Publishing, cable TV	2.8
Newhouse, Donald Edward/Publishing, cable TV	2.8
Bronfman, Edgar Miles Sr./Seagram Co.	2.4
Packard, David/Hewlett-Packard	2.4
Pritzker, Jay Arthur/Financier, manufacturing	2.3
Pritzker, Robert Alan/Financier, manufacturing	2.3
Perot, Henry Ross/Electronic Data Systems	2.2
Crown, Lester & family/Inheritance, industrialist	2.1
Mars, Forrest Edward Sr./Candy	2.0
Mars, Forrest Edward Jr./Candy	2.0
Mars, John Franklyn/Candy	2.0
Vogel, Jacqueline Mars/Candy	2.0
Anthony, Barbara Cox/Inheritance	2.0
Chambers, Anne Cox/Inheritance	2.0
Turner, Robert Edward (Ted) III/Turner Broadcasting System	2.0
Murdoch, Keith Rupert/Publishing	2.0
Bass, Sid Richardson/Oil	1.8
Bass, Lee Marshall/Oil	1.8
Koch, Charles de Ganahl/Inheritance (oil services)	1.8
Koch, David Hamilton/Inheritance (oil services)	1.8
Annenberg, Walter Hubert/Publishing	1.7
Knight, Philip Hampson/Nike	$1.6
Perelman, Ronald Owen/Leveraged buyouts	1.5
Bass, Robert Muse/Oil, investments	1.5
DeVos, Richard Marvin/Amway	1.5
Van Andel, Jay/Amway	1.5
Tisch, Preston Robert/Loews Corp.	1.5
Tisch, Laurence Alan/Loews Corp.	1.4
DeBartolo, Edward John/Shopping centers	1.4
LeFrak, Samuel Jayson/Real estate	1.4
Hewlett, William Redington/Hewlett-Packard	1.4
Bechtel, Stephen Davison Jr. & family/Engineering, construction	1.3
Getty, Gordon Peter/Inheritance (oil)	1.3
Helmsley, Harry Brakmann/Real estate	1.3
Ziff, William Bernard/Publishing	1.3
Hunt, Ray Lee & family/Inheritance (oil, real estate)	1.3
Davis, Marvin Harold/Oil, entertainment, real estate	1.3
Kroc, Joan Beverly/Inheritance (McDonald's)	1.3
Stern, Leonard Norman/Pet supplies, real estate	1.2
Johnson, Samuel Curtis/Johnson wax	1.2
Ludwig, Daniel Keith/Shipping, real estate	1.2
Johnson, Edward Crosby III & family/Investment management	1.1
Bren, Donald Leroy/Real estate	1.1
Rockefeller, David Sr. & family/Inheritance, banking, real estate	1.1
Fribourg, Michel & family/Grain trader	1.1
Gaylord, Edward Lewis/Media, real estate	1.1
Murdock, David Howard/Investments	1.1
Walton, James Lawrence/Wal-Mart Stores	1.1
Anschutz, Philip Frederick/Oil, railroads	1.0
Hill, Margaret Hunt & family/Inheritance (oil)	1.0
Cooke, Jack Kent/Real estate, investments	1.0
Dorrance, John T. III/Inheritance (Campbell Soup)	1.0
Dorrance, Bennett/Inheritance (Campbell Soup)	1.0
Malone, Mary Alice Dorrance/Inheritance (Campbell Soup)	1.0
Carlson, Curtis LeRoy/Entrepreneur	1.0

U.S. family fortunes estimated at over $1 billion

Name/Source of wealth	Net worth ($billions)
du Pont/Inheritance (Du Pont Co.)	$8.6
Rockefeller/Inheritance (oil)	5.0
Cargill & MacMillan/Cargill, Inc.	5.0
Hearst/Inheritance (publishing)	4.4
Mellon/Inheritance (finance)	4.3
Phipps/Inheritance (steel)	2.5
Haas/Levi Strauss	2.1
Lauder/Cosmetics	1.8
Scripps (E.W.)/Inheritance (newspapers)	1.8
Wattis/Inheritance (Utah International)	1.8
Ford/Inheritance (Ford Motor Co.)	1.7
Hall/Hallmark Cards	1.7
Bancroft/Inheritance (Dow Jones)	1.6
Hillenbrand/Caskets	1.6
Fisher/The Gap	1.6
Milliken/Textiles	1.5
Gund/Inheritance	$1.5
Blaustein/Inheritance (oil)	1.5
Chandler/Times Mirror Co.	1.4
McCaw/McCaw Cellular	1.4
Busch/Inheritance (Anheuser-Busch Cos.)	1.3
Smith/Illinois Tool Works	1.3
Hoiles/Newspapers	1.2
Disney/Inheritance (Walt Disney Co.)	1.2
Field/Inheritance, media	1.2
Kleberg/Inheritance (King Ranch)	1.0
Reed/Inheritance (timber)	1.0
Allen/Stock market, real estate	1.0
Collier/Real estate	1.0
Nordstrom/Retailing	1.0
Brown/Liquor	1.0
Dayton/Dayton Hudson	1.0
Lilly/Pharmaceuticals	1.0

Japan real estate

By Gale Eisenstodt, Neil Weinberg and Kazumi Miyazawa

How does it feel to be maybe the richest businessman in the world and have it all tied up in Tokyo real estate? Not so bad.

Taikichiro Mori and family

Net worth: $13 billion

Mori, one of FORBES' most helpful sources on Japanese billionaires, has often said he wanted land prices to fall. This year the 88-year-old former economics professor—who is certainly getting his wish—welcomed us again. The current "necessary" downward adjustment will quicken, he predicted. Where's the bottom? Even Mori is not certain.

"At current prices, if you buy land, put up a building and receive rent, the yield is only 2% to 3%," Mori explains. "If you consider bank rates [the long-term prime is 6.1%], you can't make a profit. It will be good if [the yield] gets to around 4%."

Mori repeats his feeling that falling property prices will ultimately make the Japanese economy healthier. Land, explains the professor, becomes an obstacle to economic growth and political stability when it consumes 50% to 70% of a country's capital spending (as in Japan), and when workers cannot afford their own homes.

"When only the rich can buy a house," Mori worried, "average people have a sense of unfairness."

So far, the Mori family's own office buildings in Tokyo's primest-of-prime Minato Ward, near Parliament, seem little affected by falling prices. FORBES estimated the family was worth nearly $15 billion last year; we put them at around $13 billion this. (We have not included a bank of vacant land that is hard to value.)

Taikichiro Mori (right) touring his Shiroyama Hills project, 1990

Gentlemen prefer firmer rents.

We checked on concerns that Mori was in trouble. He looks solid. "Mori Building is an example of good sense in Japanese real estate," reports an outside real estate executive familiar with Mori operations. "They didn't get caught buying land at the top of the market. The question is how they will handle the first supply surplus since the late 1970s."

For now, interest rates on Mori's $4.3 billion known debt are falling and his rents are holding firm. But his big Shiroyama Hills office and apartment complex, opened last December, is filling more slowly than had been expected.

Mori acknowledges that the real estate contraction may eventually squeeze even him. "In the U.S. excess supply has caused lots of problems," he says. "Until now people thought Japan was different . . . but there are worries that America's experience will become Japan's tomorrow. Now when someone applies to be a tenant, if the rent is too high the negotiations are—well, not gentleman-like."

–N.W.

Yoshiaki Tsutsumi

Net worth: over $10 billion

And what of Tsutsumi, who is either the second-richest businessman in the world, or the richest by far? His Seibu Railway stock is way down. His real estate, good but not so good as Mori's, is off a bit. Tsutsumi, 58, officially owns 40% of family company Kokudo, formerly Kokudo Keikaku; that stake looks to be worth $10 billion or so, this year.

But wait. As in prior years, source after knowledgeable source tells FORBES that the "owners" of the other 60% of Kokudo are fronts, and that Yoshiaki Tsutsumi in fact owns the whole thing. If so, Tsutsumi is worth over $25 billion.

Whatever the truth of this matter, Tsutsumi runs his businesses conservatively. Debt is low, and Tsutsumi

Yoshiaki Tsutsumi
Worth $10 billion? Or $25 billion?

has impeccable political contacts. This may help explain why the site of the 1998 Winter Olympics is near his considerable land holdings in Nagano Prefecture, where some land values are still rising even in the real estate slump. –N.W.

Kitaro Watanabe

Net worth: maybe $2 billion

At his peak, Watanabe, now 58, may have been the third-richest man in the world. Starting with some car dealerships and no fear of debt, Watanabe leveraged his Azabu Group into ownership of 1 million square feet of land in and near Tokyo. The land holdings may have been worth over $9 billion, net, on paper in 1990. As long as bankers kept on pushing out loans, Watanabe could blow $240 million on Hawaii's Hyatt Regency Waikiki alone, and afterwards buy the Ala Moana Hyatt Regency and the Maui Marriott.

But Watanabe overextended himself. Last year Azabu's lead lender, Mitsui Trust, stepped in. Currently "adviser" Toshimi Shibata, a Mitsui Trust man, manages Azabu in order to pay down $6 billion in debt. Interest runs $472.4 million per year, nearly the equivalent of Azabu's total revenues.

Watanabe? He is chairman, but seems to have little decision-making power. These days he's known as one of the so-called AIDS cases—the Japanese media's acronym for Azabu, Itoman, Dai-Ichi Real Estate and Shuwa. (Shuwa's Shigeru Kobayashi dropped off this list in 1991.) Together, these developers constitute the biggest riches-to-rags stories in Japanese real estate.

Watanabe isn't broke—yet. Even now Azabu Group's properties are probably worth a couple of billion more than it owes. But if old Professor Mori is right, then one day Watanabe will be left with little more than exciting memories.

Tada family

Net worth: $1.8 billion

Most other developers may be hurting these days, but it is a great time for the Tada family.

Katsumi Tada, 47, is the founder and president of Daito Trust Construction. Last year Daito Trust's profits rose 35%. This year another strong rise is in prospect.

Tada is a major beneficiary of a reform this year, under which most "farmland" in cities will lose its preferred status and be taxed at residential rates. The upshot of this reform is that some 70% of existing urban farmland, at least 110,700 acres, will likely have to be developed.

Daito's main business: developing urban farmland. The $1.63 billion (revenues) company offers convenient one-stop service, combining construction, rental property management and tax planning. Tada often persuades farmers to let Daito Trust Construction develop their land by guaranteeing a minimum level of rental income to them.

Not that Tada's Daito has the field to itself. Japan's giant home builders are already moving in. Analysts worry that, with competition, Tada will find it tougher to cover his rental income guarantees. But for now the Tada family's Daito stock is worth $1.8 billion. –G.E.

Takei family

Net worth: $1.7 billion

Takei was nailed this year for evading $27 million in taxes owed on some $40 million allegedly made via insider trading. Punishment: four years in prison and a $3.9 million fine. It's the largest tax fraud to date by an individual in Japan.

Takei, 71, owns Chisan Group—hotels, golf courses and much else. Rather than appeal his conviction, he says he hopes to atone for his sins. "After creating such a sensation, I do

Hirotomo Takei
Jail ahead.

not think it would be proper for me to say the punishment was too severe," Takei recently told a Japanese weekly. He added that he would like to become a Buddhist priest.

"All the criticism in the press taught me many things about myself I could not see before." –G.E.

Yoshimoto family

Net worth: at least $2.3 billion

Headed by Goroemon Yoshimoto, 70, and his second cousin Haruhiko, 68, the Yoshimotos have owned important properties in front of Osaka's train station for generations. Japan's second city, Osaka has been especially hurt by the collapse of the land bubble—officially, real estate values are down 21%, but that no doubt understates the fall. But the Yoshimotos'

properties are prime. They're probably down in value by only 15% or so on average.

Otani family

Net worth: over $3.3 billion

New Otani group, headed by current patriarch Yoneichi Otani, 76, is also more solid than most. The group recently finished the New Garden Court office building. Situated next to their flagship New Otani hotel in Tokyo, New Garden Court is unusually stylish; fully rented, it is also an unqualified success.

The Otanis feel some pain from a slow-selling resort joint venture north of Tokyo. But low-debt, quality properties and a good name will see them through the current slump.

–N.W.

Rinji Shino

Net worth: $3 billion

Rinji Shino, 83, owns Meiko Group. Its major assets are a golf course in Osaka and real estate, mainly in western Japan.

In 1958, fearing arrest for violating the Agricultural Land Act, he fled to Paris with $14,000 stuffed in a money belt. The violation was eventually settled for $300.

A dedicated Francophile, Shino owns a French winery (Château Shino) and large land holdings near Paris. His daughter Shigeko, 50, runs the group's main companies.

Tamesaburo Furukawa

Net worth: over $1 billion

Furukawa is still with us. Now 102, he is the world's oldest known billionaire. Through his Herald Corp., he has for 70 years exhibited films in his chain of theaters, based in Nagoya, and reinvested the earnings in large tracts of rural land in central Japan. His grandsons run things, but Furukawa is still chairman.

Hayashibara family

Net worth: $2.2 billion

Fifty-year-old Ken Hayashibara heads Hayashibara Group, the family's over 100-year-old food and pharmaceutical company. Based in Okayama, southwest of Osaka, the $550 million (sales) company is active in biotechnology research and holds about 4,000 patents.

A conservative manager who doesn't like to put too much of his family's money on the line, Hayashibara likes to share risks by putting together partnerships with big companies for final development and distribution of new food and drug products. His younger brother Yasushi, 45, runs day-to-day affairs.

Isono family

Net worth: 1.9 billion or more

The Isono family owns 106-year-old Meidi-ya, the second-largest food and liquor wholesaler in Japan. Meidi-ya is a large shareholder in Kirin Brewery and a local Coca-Cola bottler.

Another company, Isono Real Estate, looks after the family's extensive property holdings, mostly in the wealthier sections of Tokyo. President Keiichi Isono, 48, is great-grandson of founder Hakaru Isono (1858-97).

Yohachiro Iwasaki and family

Net worth: over $3 billion

Iwasaki, 90, founded Iwasaki Group in 1923. Its activities include gas stations, lumber processing, taxi and bus companies, resort development and food processing and distribution. The company is headquartered on Japan's southernmost island, Kyushu, where Iwasaki owns much land. The company is run by Iwasaki's son Fukuzo, 67, and his grandson Yoshitaro, 38. They are currently expanding huge "Capricorn Iwasaki" resort, near Australia's Great Barrier Reef.

Eitaro Itoyama

Net worth: $3.2 billion

Eitaro Itoyama, who inherited large real estate holdings from his father, was a member of the Diet's lower house until he lost his bid for reelection in 1990. Now 50, he has been spending his time looking after his Tokyo-based Shin Nihon Kanko Kogyo. Its assets include golf courses, resorts and substantial holdings of undeveloped land.

Japan industry

Kiyoshi Sagawa

Net worth: over $1 billion

Starting with a bicycle, Sagawa, now 70, built Kyoto-based Sagawa Express into Japan's second-largest parcel delivery service. He curried favor with politicians and gangsters; Sagawa Express is now at the center of a huge scandal involving the former president of the Tokyo operations. Sagawa resigned as chairman in May. Son Eiichi Kuriwada is in charge.

Junichi Murata

Net worth: $3 billion

Kyoto-based Murata Machinery makes textile machinery, robots and machine tools but is best-known for low-cost facsimile machines. The Japanese market for fax machines is a battleground. The U.S. isn't easy either—Fujitsu has announced it's withdrawing from the low end of the market in the U.S.—and Murata's profits have slumped for over a year. Murata, 56, isn't retreating. He just built an R&D center to apply computer technologies to his businesses.

Yasuo Takei and family

Net worth: $2.5 billion

Ryoichi Jinnai and family

Net worth: $1 billion

Kinoshita family

Net worth: $1 billion

These three billionaire families are moneylenders who make unsecured personal loans at legal rates of up to 40% per annum. They used to be called *sarakin*. Takei, 62, founded Takefuji. Jinnai, 66, built Promise.

Two consumer electronics giants, humbled

Sony founder Akio Morita
Paying the price of entering Hollywood.

Matsushita family head Masaharu Matsushita
An Osaka woman got $400 million of the company's money.

Morita family

Net worth: about $1 billion
As the line between computers and consumer electronics products blurs and as software becomes more important than ever, Akio Morita is struggling to turn Sony Corp. into an electronics and entertainment company. In the last four years Sony has spent nearly $7 billion to buy Columbia Pictures Entertainment, CBS Records and other entertainment properties. But reshaping a big company like Sony is difficult; electronics goods sales are basically flat. Last year the parent company posted an operating loss of $162 million, its first ever as a public company. These are some of the hardest times since Morita, now 71, and a partner, Masaru Ibuka, founded Sony in 1946. The stock market has punished Sony: Its NYSE-traded ADRs have dropped from about 56 in 1990 to a recent 32.

Matsushita family

Net worth: $1 billion
The heirs of Konosuke Matsushita (1894-1989) share most of the problems facing archrival Sony's Morita. They also have their own problem: A finance subsidiary of flagship Matsushita Electric Industrial (MEI), bluest of blue chips, made a $409 million loan to Nui Onoue, the now infamous—and bankrupt—Osaka restaurateur and stock speculator supreme who took top financial institutions to the cleaners for roughly $2 billion. Matsushita family head and MEI Chairman Masaharu Matsushita, 79, took a ritual pay cut. Two vice presidents were demoted. MEI's earnings fell by half. Matsushita's entertainment arm—MCA, for which it paid over $6.1 billion in 1990—is doing poorly at the box office.

The Kinoshita clan's company is Acom. They and other consumer lenders have done quite a job. Since 1986 Japanese consumer debt has more than doubled, to $497 billion last year. Credit cards issued nearly doubled, to 187 million.

With the Japanese economy in a bad slump, how are the moneylenders faring? Not too badly, so far. Unemployment is a mere 2% in Japan, so consumers still have paychecks coming in. At all three firms, loan charge-offs are up only slightly.

But all three are bracing for trouble. In 1991 there were 23,288 personal bankruptcies in Japan, more than double 1990's figure. Analysts predict 40,000 this year. That may be just the tip of a bad debt iceberg. Kenji Utsunomiya, a bankruptcy lawyer in Tokyo, figures at least 1 million individuals are having problems making interest payments; half, he adds, are as good as bankrupt.

Who are these unthrifty borrowers? Many are Japanese in their 20s who borrowed to buy expensive clothes and jewelry and to travel abroad. "People spent too much with no understanding of how to manage debt," sighs Yoshiki Okada, a managing director at Acom. Many debtors counted on working overtime to pay off credit cards and loans. But overtime has been drastically cut as the economy has slowed.

The consumer debt cloud may well rest over Japan for some time to

come. Japanese card issuers don't release data on users, so the consumer finance companies have no way to know if a potential customer is already deep in debt.

Japan's banks, card issuers and consumer finance *sarakin* are still only talking about swapping this information. "The problem is nobody wants to give information to competitors," says Okada. Better to make a bad loan, the feeling seems to be, than tell a competitor anything.

–G.E.

Murayama family

Net worth: well over $1 billion

The Murayamas have a big stake in Japan's huge *Asahi Shimbun* newspaper (circulation, 8.2 million). The recession is crimping advertising budgets and the Asahi's management has yet to figure out how to crack the U.S. market. (*Japan Access*, Asahi's weekly English-language newsletter in New York, has met a lukewarm response.) But the paper has deep pockets. *Asahi Shimbun* is financing a new headquarters building and concert hall, due for completion in August, without taking on a yen of debt. –N.W.

Tetsuo Ohga

Net worth: $2 billion

Ohga, 67, runs the Shogakukan Group, including its two main publishing companies: Shogakukan and Shueisha. Both are big in comic books, very popular in Japan with adults and children. (*Shonen Jump*, the most popular, sells 5.7 million copies a week.) The business isn't immune to recession, but sales are holding up reasonably well. Industry sources say Shueisha editors are especially quick to sense changes in what's popular. In the 1980s their books were filled with tales of romance. But with recession on salarymen's minds, tales that revolve around life at the office are big hits. –G.E.

Hattori family

Net worth: $1.4 billion

Their Seiko group is still a close second to archrival Citizen in watch production, but Seiko is far behind in selling movements to other Asian watch producers. The Hattoris' manufacturing arm, Seiko Epson, known for printers and other computer equipment as well as timepieces, is expected to post a second year of declining sales and possible losses. Seiko is a household name, but to stay one, it will have to figure out how to get back on track. –N.W.

Teramachi family

Net worth: $1 billion

Hiroshi Teramachi, 68, is founder of $617 million (sales) THK, a maker of precision bearings. In the U.S., THK owns THK America. THK's earnings plunged 50% in the fiscal year ended March. A big reason: a $75 million paper loss on holdings in other publicly traded Japanese companies. The Teramachi family's THK stock has slid a split-adjusted 60% during the last year, wiping over $1 billion off their net worth.

Hisakichi Yamaguchi

Net worth: $2.5 billion

Born in Korea before it was divided, Yamaguchi, 81, founded Daiwa Can Co. in 1950. An affiliate of Nippon Steel, it has 30% of Japan's can market. Daiwa Can has no debt and seems to be coming through the recession in fine shape. A potential growth market: Japanese beer breweries. About a third of Japanese beer is sold in cans, versus 60% in the U.S.

Hiroshi Yamauchi

Net worth: $1.3 billion

As president of Nintendo, the Yamauchi family's videogame company, Hiroshi faces tough competition from Sega (FORBES, *Sept. 2, 1991*). The falling stock market has pummeled Nintendo stock.

Last month major league baseball owners retreated from their chauvinistic position and approved the sale of the Seattle Mariners to a Yamauchi-led group for $100 million. To finance the purchase, in February Yamauchi sold $47 million of his Nintendo stock (about 600,000 shares). To raise that much at Nintendo's peak, in August 1990, Yamauchi would have had to sell 236,000 shares (adjusted for a split).

Yoshida family

Net worth: at least $1 billion

Tadao Yoshida, founder of zipper company YKK, is 83 and ill. Son Tadahiro, 45, is taking charge. In Japan, YKK has a big aluminum building materials operation, which has been hit by falling housing starts and weak commercial construction. But YKK officials think the worst is over. Lower interest rates are sparking a slow recovery in building; YKK's building materials company is forecasting 5% growth in sales this year. The U.S., too, looks better. This year YKK will start full operations on a building materials plant in Georgia, where it has produced zippers for many years.

Takenaka family

Net worth: over $3.4 billion

The Takenaka family controls centuries-old Takenaka Komuten, one of Japan's largest construction companies. The government is talking about a host of public works projects to spur a recovery. That would certainly bolster Takenaka Komuten's earnings. But prospects for private works—office buildings, factories and warehouses—remain bleak.

The Takenakas have another, longer-term problem: Young Japanese do not want to work in construction. The average age in construction is now 47, extremely high for an industry that demands lots of physical labor.

Masatoshi Ito

Net worth: $2.5 billion

Hardship has a way of favoring the strong, and Ito's Ito Yokado Group is among the strongest of Japan's retailers. Net profits jumped 6.2% in the year through February, a poor year for most retailers.

How does Ito, now 68, who started with nothing, do it? With disciplined central control, responsiveness to customers, and precise product management. For example, clerks at Ito Yokado's 4,600 7-Eleven Japan stores register the time of purchase, gender and rough age of each customer on point-of-sale systems, to fine-tune each store's offerings. (Ito Yokado also has supermarkets and general merchandise superstores.)

Long 7-Eleven's licensee in Japan,

Masatoshi Ito

Now here's how to run a 7-Eleven. . . .

Ito bought 70% of bankrupt Southland Corp. last year. Now Ito is exporting his marketing techniques to the 7-Eleven Hawaii chain and U.S. mainland stores. –N.W.

Otsuka family

Net worth: $2.5 billion

Akihiko, 54, is the hard-driving president of $2.5 billion (sales) Otsuka Pharmaceutical, founded in 1964 by his father, Masahito. Japan's Ministry of Health & Welfare severely reprimanded the company last October for submitting false postmarketing survey data on a newly developed heart stimulant, Arkin-Z.

This was a severe setback: The drug was supposed to boost Otsuka's reputation and carve out niches in the U.S. and Europe.

Fortunately for the family's net worth statement, the company's substantial business in consumer beverages, some laced with vitamin C and other vitamins, is holding up well. A 10% price hike, the first in almost a decade, will sweeten profit margins. –N.W.

Kunio Butsujima

Net worth: $1.5 billion

Kenkichi Nakajima

Net worth: $2.4 billion

Kunio Butsujima, 67, made his fortune by following in fellow billionaire (and business rival) Kenkichi Nakajima's footsteps. Lately, however, the follower has become the leader. The story:

Nakajima, 71, founded Heiwa, long the preeminent maker of pachinko machines. In 1966 Butsujima, once a director at Heiwa, founded Sankyo Co. Butsujima's company is Heiwa's fiercest rival.

Last year Butsujima brought out new pachinko machines with imaginative electronic gimmicks and sound. The machines were a big hit and Sankyo's sales topped Heiwa's for the first time. This year Sankyo's sales were $629 million, versus Heiwa's $537 million. By one estimate Butsujima's Sankyo now has 22% of the pachinko machine market, versus Heiwa's 21%.

The prospects for both companies remain good. The bursting of Japan's economic bubble did not hurt Japan's $110 billion revenues pachinko industry, which now accounts for 20% of all Japanese expenditures on leisure. "When the economy is down, people have more free time to spend playing pachinko," says Richard Ko, analyst at Barclays de Zoete Wedd in Tokyo.

Yet Nakajima's stock has fallen 50%, slashing some $2.7 billion off his net worth. Challenger Butsujima, new to our list this year, has seen Sankyo's share price fall 50% since his company listed on Japan's o-t-c market last October.

–G.E. and Lisa Twaronite

Keizo Saji and family

Net worth: $1.4 billion

Saji, Suntory Ltd.'s 72-year-old chairman, has a problem. The Japanese aren't drinking the way they used to. Wine sales were off 15% in 1991. Distilled liquor, more than half Suntory's volume (and it has 70% of the whiskey market), grew just 1%. Beer margins, meanwhile, have been eroded by ephemeral "new beers" from desperate competitors.

Net result: Pretax earnings at the Saji family's proud old spirits company have fallen the last two years running.

To reduce its dependence on alcohol, Suntory is launching a pharmaceutical business, specializing in cardiovascular and anticancer drugs. By the year 2000 Saji hopes to see it earn about twice as much as the $82 million a year (pretax) that Suntory now makes mostly on booze. Saji is also into bottled water in the U.S. (Brands include Polar and Crystal Springs.) In Tokyo he's trying out a franchised version of health-food-oriented U.S. sandwich chain Subway.

Uehara family

Net worth: $1.2 billion

The Ueharas' Taisho Pharmaceutical is a major player in Japanese "health drinks." Japanese salarymen are addicted to these beverages, which are reputed to cure hangovers and to energize exhausted workers. Most contain some vitamins and a slug of caffeine. Taisho's pioneer concoction, Lipovitan D, has been a hit since 1962. The health drink market increased a steady 7% to 8% a year through 1989—then jumped 15% in 1990. Last year it was up again.

Are the Sajis of Suntory listening? –K.M.

Other Asia

Hong Kong

By Gregory Viscusi

Suddenly, hope and greed shove aside fear as Hong Kong contemplates takeover by China in 1997. The stock market is up 40%. Land is up 50%. The market seems to be saying that Hong Kong will take over China—and maybe it will.

In 1997 Hong Kong will become China's third-biggest city (it has 5.8 million people, Beijing 6.8 million, Shanghai 7.3 million). More important, Hong Kong will be China's undisputed fountainhead of capitalism. It is already the main business hub for the rest of Southeast Asia. If China rejoins the world economy, Hong Kong's billionaires are beautifully positioned for years of rapid growth.

Gordon Wu and family

Net worth: $1.1 billion

One of the biggest beneficiaries in Hong Kong of the economic boom in southern China.

Cheng Yu-tung

Net worth: $1.8 billion

Now 66, Cheng was an early investor in Guangdong, and his aptly named New World Development Co. Ltd. construction company has been one of the hottest stocks in Hong Kong, up 64% this year. New World is building a road system and apartment blocks in Guangzhou and a power plant in Zhujiang and is managing seven mainland hotels. Risk? Son Henry Cheng, 45, told FORBES that given China's ultralow costs, risks are higher in expensive Hong Kong.

Cheng has paid down much of the debt from buying U.S.-based Ramada hotels in 1989. Cheng reportedly bought 187 acres of residential land in Ontario in 1987, after a 15-minute visit on his way to the airport.

Lee Shau-kee

Net worth: $2.4 billion

After building relatively cheap housing for Hong Kong's middle class, Lee is moving into Guangdong. Shares in his Henderson Land and Henderson Investment are up over 50%. Lee, 64, is still developing cheap Hong Kong land he bought in the 1950s, and has picked up land in Guangdong to repeat his formula.

Li Ka-shing

Net worth: $3.2 billion

The colony's most famous billionaire, Li, 64, controls many companies. The most important: Hutchison Whampoa, with telecommunications, ports and energy interests, and property developer and holding company Cheung Kong. Other assets include the largest mobile telecom operator in Britain, Hutchison Telecommunications; a piece of a Reichmann building in New York; all of Canada's Husky Oil. His Star TV, run by son Richard, 25, has started beaming five channels by satellite; Star's footprint stretches from Turkey to Japan.

In May, Li took a stake in troubled Japanese real estate giant EIE Development's Hong Kong operation. His port division handles about half of Hong Kong's container traffic, which is how much of China's $62 billion in annual exports reach the world.

Y.K. Pao family

Peter Woo, Wharf Holdings
Buying in Hong Kong, too.

Net worth: well over $2.2 billion

Y.K. Pao died last September; his four sons-in-law now run the empire. One, Peter Woo, 46, has been buying hotels in Texas and New York; he's

looking in California. Back home he oversees World International (Holdings) and Wharf (Holdings). Wharf is bidding for Hong Kong's first cable TV network, its fourth cellular phone system and more land to develop. Woo also wants to upgrade Wharf's port terminals.

The other sons-in-law: Austrian-born Helmut Sohmen, 52, runs the Paos' World-Wide Shipping Agency, with 73 vessels. Shinichiro Watari, 45, runs a Tokyo-based trading company. Edgar Cheng, 48, handles the family investment portfolio.

Kwok family

Net worth: $4 billion

The three Kwok brothers own 49% of Sun Hung Kai Properties, which sits on one of the largest undeveloped land banks in the colony's New Territories. They continue to put up apartment buildings at a steady clip. Chairman Walter Kwok, 41, Vice Chairman Thomas, 40, and Raymond, 39, haven't yet ventured into China. But the market loves their stock—since December it has appreciated 46%.

Swire brothers

Net worth: $2 billion

The Swires—Sir Adrian, 60, and Sir John, 65, both U.K. residents—control Swire Pacific. It owns primarily commercial real estate but isn't starting much new building as the Swires wait for a land-price correction. Swire Pacific's stock is up 50% this year, probably on speculation that their airline, Cathay Pacific, will coin money as the capitalist revolution in Guangdong sweeps north to Shanghai and Beijing.

Li Ka-shing, billionaire conglomerator **Yes, diversification worldwide, but billions invested at home.**

Kadoorie family

Net worth: $3 billion

The Kadoories, who arrived in Hong Kong more than 100 years ago from Iraq, own 64% of the Peninsula Hotel group. But their most exciting asset is a 33% stake in China Light & Power. Recently the Hong Kong government removed some restrictions on selling spare power to Guangdong Province (pop. 64 million). Under 51-year-old Michael Kadoorie (his father, Lord Lawrence, is 93 and ailing), China Light has doubled its transmission capacity to the border. Now it is investing in a nuclear power plant and a hydroelectric project in China. Meanwhile, electricity demand in Hong Kong is growing 7% a year. Says Hazel Moore, analyst at W.I. Carr: "The stock is fantastic, one of the best on the [Hong Kong] market."

Macau

By Gregory Viscusi

Stanley Ho

Net worth: at least $1.1 billion

Probably nowhere does one businessman so dominate his home turf as Ho does in Portuguese Macau. Ho, 70, controls Sociedade de Turismo e Diversoes de Macau (STDM); it runs Macau's casinos—which provide half the colony's government revenues—and much of its tourism infrastructure. He also owns hotels and other properties and Shun Tak Shipping, which runs the ferry to Hong Kong.

In 1999 Macau will revert to China. Like Hong Kong, it could become a gateway to booming south China. A deepwater port is partially open; an airport is planned for 1994. An industrial park, residential developments, maybe an airline, are at the thinking stage. Ho is deeply involved.

Born in Hong Kong to a Portuguese mother and a Chinese father who went bankrupt when Stanley was a boy, Ho fled to Macau during World War II and traded between the Japanese army and the colony. In 1962, with several partners and allies, some shady, he won Macau's gambling license. Profits from the Chinese love of gambling have flowed in ever since. Ho is a sociable, suave cosmopolite. Tragically, his eldest son died in a car crash. His other son is still in school, and Ho has reportedly fallen out with close associates. Who will succeed him is a question whose answer is shrouded in mystery.

Stanley Ho **Come. Gamble. Have fun. Bring money.**

Taiwan

By Linda Killian

Taiwan is awash in liquid assets. As of March, its foreign exchange reserves came to $82.5 billion; just over $4,000 per citizen, that's by far the world's highest reserves per capita. Taiwan's billionaires are recycling the reserves into overseas investments and, in several cases, adding value by starting new banks.

Chang Yung-fa

Net worth: over $1.3 billion

Chang, 65, built the world's largest container shipping line (Evergreen) and is now building an airline: EVA Airways began flying last year to Asian destinations and Vienna. On order are nearly $4 billion of U.S. aircraft. He hopes to add New York and Los Angeles by year-end (and finish a new Los Angeles hotel by 1995). Next stop: China, where Taiwanese investment is rising fast.

Koo family

Net worth: over $1.5 billion

The Koos' China Trust group has a joint venture with the Taiwanese government's China Airlines. Their new Mandarin Airlines is already serving Sydney, and will probably add Canadian cities this year.

Headed by Jeffrey Koo, 59, the family is also well placed for the new opportunities opened up by Taipei's decision to liberalize banking laws. China Trust won one of 16 new banking licenses. The Koos already have a New York bank and want to build a global financial services network. Another major holding: Taiwan Cement, the island's largest producer.

Hsu family

Net worth: $2.5 billion

With their new banking license, the Hsus have opened Far Eastern International Bank, chaired by the family's semiretired patriarch, Y.Z. Hsu, 80. Among his creations: Far Eastern Textile, one of the world's largest makers of polyester fiber; Asia Cement; Far Eastern Dept. Stores, Taiwan's largest chain. Y.Z. Hsu's Columbia-educated son Douglas Hsu, 50, is now chairman of the family's Far Eastern Group.

Tsai family

Net worth: well over $2.5 billion

Tsai Wan-lin

Not Taiwan's favorite banker.

Probably Taiwan's richest family, the Tsais were involved in a banking scandal in 1985. Not entirely surprising, then, that they were recently denied a banking license. But their Cathay Life Insurance dominates Taiwan's insurance industry. They also control Cathay Construction and rauch real estate. Questioned last year about alleged bribes to a legislator, family patriarch Tsai Wan-lin, 67, candidly replied: "It's hard to be a good man."

Founder Y.Z. Hsu

Fled China, started Far Eastern.

Son Douglas Hsu

Their Asia Cement sees big growth.

Yue-Che (Y.C.) Wang

Net worth: over $1.5 billion

After threatening to build a gigantic petrochemical complex on the mainland, Wang's Formosa Plastics finally got the approval it wanted to build a $4 billion petrochemical complex in Taiwan. In the U.S. Wang is spending $1.3 billion to expand his Point Comfort, Tex. PVC plant. He also controls $2.5 billion (sales) Nan Ya Plastics, which makes liquid crystal display products and printed circuit boards.

Wang is 75 and has son Winston in the business. Retirement rumors remain unconfirmed.

Chip off the old block

Y.C. Wang's daughter, Charlene Wang Chien, 43, graduated from Berkeley. Returning home to Taipei, she started International Computer in 1979 with $25,000 in savings. Last fall it went public. She and her husband own 70% of the company, worth $100 million. She says Pop taught her two main lessons—work hard, don't squander money.

Wu family

Net worth: over $1 billion

New billionaires, the Wus have built one of the most diversified groups in Taiwan. Patriarch Ho-Su Wu died in 1986. Wu sold cloth during the Japanese occupation, and after the war used U.S. government assistance to start a textile company, Shin Kong Spinning. As Taiwan evolved from labor-intensive businesses toward capital- and expertise-intensive industries, Wu kept pace. The Wus' Shin Kong Life Insurance is Taiwan's

Eugene Wu
Road to riches: Whither Taiwan, thither Shin Kong.

second-largest insurance company (sales, $2.6 billion). The family has extensive holdings in energy (Great Taipei Gas Corp.), manufacturing, equipment leasing, construction, agriculture, computers, security systems, plastics and a department store chain. Like other Taiwan billionaires, they have a new bank: Tai-Shin International.

Ho-Su Wu had little formal education but made up for it by sending his four sons abroad to graduate school. Eldest Eugene Wu, 48, is chairman of Shin Kong Group, the family holding company.

Korea

By Jean Sherman Chatzky and William Heuslein

It is as if the South Korean government is again at war. Not with the North. With Korean big business. Since the Korean War, the government and the *chaebol*, the family-run conglomerates that dominate the economy, have had an uneasy partnership. Given access to credit and other privileges by President Park Chung Hee in the 1960s and 1970s, the *chaebol* were responsible for Korea's export-led growth.

After Park's assassination in 1979 and the eventual rise of General Chun Doo Hwan to the presidency, government control over the economy loosened. Workers went on often violent strikes. Labor costs more than doubled, inflation returned, exports got less competitive. The *chaebol* moved plants to Thailand and Malaysia. The stock market has halved since 1989.

The politicians blamed the *chaebol*, and President Roh Tae Woo told the *chaebol* they could borrow money at favorable rates only to finance their three main businesses. That left dozens of *chaebol* operating companies in a financing limbo. At Lucky-Goldstar, the third-largest *chaebol*, profits fell to $133 million last year from $210 million the year before. Lucky-Goldstar's founding Koo family no longer clearly belongs on this list.

Into this volatile picture comes Korea's most prominent billionaire, Chung Ju-yung, who has started a new political party and is running, Ross Perot-like, for president. His platform: Get the government off the back of private business, ease credit, elect me, an entrepreneur, to address Korea's economic problems.

Chung Ju-yung and family

Net worth: over $2 billion

Chung Ju-yung, 76, is founder of Hyundai, Korea's second-biggest *chaebol*, strong in cars and heavy industry. Chung's new political party—the Unification National Party—won 10% of the National Assembly seats in March. Not unrelated, the government hit Hyundai with a $190 million claim for tax violations. The central bank pressured commercial banks to call in Hyundai's loans. One son was arrested for tax evasion. But Chung announced the governing party hadn't reported all its income—at least not the millions in handouts it took from Hyundai. Make prosperity, not war, says Chung. Korean voters will have their say in the presidential elections at the end of the year.

Lee family

Net worth: over $1.4 billion

Led by 50-year-old Lee Kun-hee, the third son of the late B.C. Lee, the family controls Samsung Group, Korea's largest *chaebol*. Considered the country's best-run *chaebol*, Samsung is strong in semiconductors and electronics. Profits grew from $334 million in 1990 to $349 million in 1991.

Shin Kyuk-ho (a.k.a. Takeo Shigemitsu)

Net worth: over $6 billion

Korean-born Shin, now 69, first built his successful Lotte Group in Japan on chewing gum and chocolate, and much real estate. Starting in 1967, Shin created a second Lotte in Korea, where his focus is on food and beverages, hotels and department stores.

One Korean government policy has helped Lotte: The government put a 5% cap on deposit interest, meaning savers lose purchasing power with inflation at 9%. So they spend, and Lotte is big in consumer products.

Indonesia

By Jean Sherman Chatzky

Whither Indonesia? For one informed opinion, listen to Barton Biggs, canny picker of foreign stocks and chairman of Morgan Stanley Asset Management. "Indonesia," says Biggs, "is going to be the best [stock] market in the world over the next two years."

Indonesia has a population of 190 million. Labor is cheap (per capita income is around $600) and the government has been tough on inflation (now 8%, the lowest in years). Biggs says Indonesia's real interest rates, currently around 15%, are on the way down. "We're looking for double-digit [earnings] growth," says Biggs. On the country's loosely regulated, infant stock market, multiples are in the low- to mid-teens. Among individual stocks, Biggs advises considering companies run by Indonesia's bil-

lionaires. He also likes P.T. Astra International (auto assembly and distribution), which is controlled by former billionaire William Soeryadjaya.

Liem Sioe Liong

Net worth: over $2 billion

At 76, Liem is President Suharto's main *cukong*, or Chinese financial partner. Through his over $2 billion (unconsolidated sales) Salim Group, he controls numerous monopolies and near-monopolies. Among Liem's strongest public companies are Indocement, the nation's largest cement producer, and Unggul Indah Corp., largest maker of alkylbenzene, used in detergent.

Eka Tjipta Widjaja

Net worth: $1.5 billion

Widjaja, 69, is Indonesia's paper baron. His master company, Sinar Mas Group, controls publicly owned Indah Kiat Pulp & Paper and Tjiwi Kimia; together they hold 70% of Indonesia's paper market. Widjaja and Liem *(above)* have done joint ventures in papermaking, and are said to be friends. Their sons, however, dislike each other, and some of the joint ventures are being unwound. Too bad. Indonesia's per capita consumption of paper today is where America's was in 1890. A growth business if ever there was one.

Malaysia and Singapore

By Gregory Viscusi

Quek/Kwek family

Net worth: about $1.7 billion

Within the past three years the Malaysian branch of the family, the Queks, have become somewhat richer than their Singapore cousins, the Kweks. The booming Malaysian economy is advancing from raw materials to industry, and the Queks, led by Quek Leng Chan, 51, control numerous companies that assemble semiconductors and sell building materials, paper, steel, insurance and consumer durables.

The (slightly) less wealthy Singapore side of the clan is led by patriarch Kwek Hong Png, 81, and his eldest son, Kwek Leng Beng, 50. They control City Developments, a major property development concern. The freewheeling Kweks are not universally admired in orderly Singapore. "A little too enterprising," is one comment heard about them.

Robert Kuok

Net worth: $1.6 billion

Kuok, 69, retains only a few of his old Malaysian rubber and sugar plantations and spends most of his time these days in Hong Kong. But he still carries his Malaysian passport and is that country's richest man: stakes in Shangri-La International Hotels, CITIC Pacific (Beijing's quoted investment arm), and investments all over Southeast Asia.

Lee family

Net worth: $1.7 billion

This old-money Singapore family is centered on three genteel brothers: Lee Seng Wee, Lee Seng Tee and Lee Seng Gee. Together they control Oversea-Chinese Banking Corp., a big, old-line bank; and private Lee Rubber, whose rubber plantations are being developed as suburbs of greater Singapore.

Thailand

By Linda Killian

Kanjanapas family

Net worth: about $2 billion

This year the Kanjanapases' real estate company, Bangkok Land, went public, boosting them to billionaire status. The family owns shares in Bangkok Land and Tanayong, another quoted land development company. Bangkok Land is building a 1,600-acre satellite city outside Bangkok with industrial, office and low-cost residential space. The company is run by Anant Kanjanapas, 50, who heads Stelux, a Hong Kong watch company on which the fortune was founded.

Anant's father, Mongkol, in his 70s and chairman, started making watchbands for Seiko in Hong Kong in the 1960s; he used profits to buy cheap Thai land. Another son, Keeree, 40, runs Tanayong; it's developing new headquarters for the Thai stock exchange and owns a cable TV network. It recently won an $800 million mass transport contract; Tanayong will select stations and probably make the family's nearby land mushroom in value. Officials have questioned some of their financial deals. The companies decline to respond.

Sophonpanich family

Net worth: well over $1 billion

They own over 35% of Bangkok Bank, largest in Southeast Asia, and control related insurance, brokerage, finance companies. The group is run by heirs of famed Chin Sophonpanich (d. 1988). His second son, Chatri, 59, now the family's leader, has had heart problems and is reportedly grooming his son Tony as replacement.

Chearavanont family

Net worth: over $1 billion

Their Charoen Pokphand Group produces chicken, shrimp and animal feed for Southeast Asia and China (FORBES, *Apr. 13*). Sales: $3 billion. Other businesses include property, retailing, manufacturing. With Nynex, CP Group recently won a major Thai telecommunications contract. Family leader Dhanin Chearavanont, 53, controls the company.

Philippines

By Linda Killian

Zobel de Ayala family

Net worth: $1.2 billion

Old money. Ayala Corp. is a property developer and owns Bank of the Philippine Islands, the biggest stock on

the Manila exchange. Ayala is run by Jaime, 58, pro-Aquino Harvard grad. Cousin Enrique, 65, split off 1983 to start an investment company, Enzo Group. Their aunt, Mercedes Zobel McMicking, 84, lives in Spain; she is said to have ultimate control.

India

By Gregory Viscusi

There are many wealthy and powerful families in India, but because of the Indian rupee's weakness against the U.S. dollar, only one of their fortunes translates into $1 billion. This mighty exception: the Birlas.

Aditya Birla, 48, used to complain that the Bombay exchange was overvalued. But then he was expected to pay a yearly 2.5% "wealth tax," which may have had something to do with his modesty.

Earlier this year, however, as part of Prime Minister P.V. Narasimha Rao's liberalization of the country's economy, the Indian government modified the tax so that it no longer applies to shareholdings. Other reforms include slashing licensing requirements and import restrictions, foreign exchange liberalization and easing of price controls. Signaling its approval, the Bombay stock exchange roared ahead 125% this year before dropping back 30% after a dirty financial scandal erupted.

Birla family

Net worth: $2.2 billion

No longer under the shadow of the wealth tax, Aditya Birla pronounces the above figure "about right." The Birlas were early supporters of Indian nationalism and closely associated with Mahatma Gandhi. Aditya Birla's side of the family is huge in cement, metals and chemicals, and is one of India's largest textile exporters.

Another branch, headed by Chandrakant Birla, manages Hindustan Motors, one of India's three major carmakers, and a third branch runs the important *Hindustan Times*. Prosperous under the British, prosperous under semisocialism, the Birlas can only get richer in the new free-enterprise India. As Aditya Birla puts it: "We will spend less time in Delhi and more time at our plants."

Australia

By Linda Killian

Kerry Packer

Net worth: $2.3 billion

Packer, 54, has been cashing in many of the assets in the publishing and broadcasting empire founded by his grandfather, developed by his late father and greatly expanded by Packer. Pessimistic about world economic conditions, Packer is using much of the proceeds to reduce debt. His Australian Consolidated Press Group has nearly 75% of the Australian magazine market (including five of the top ten magazines). This April he sold 55% to the public and pocketed $360 million. (He also owns the major Australian TV network, the Nine Network.) This spring he took public his U.S. company, Valassis Communications, raising nearly $375 million. Valassis produces the coupons inserted into Sunday newspapers. Asset sales have put the cash portion of his estimated $2.3 billion fortune up to around ten digits. Packer believes there will be a shortage of capital worldwide, which will depress the value of physical assets, and wants cash on hand to pick up bargains. Undoubtedly he will be looking in the U.S.' direction.

In 1990 the 6-foot-6 Packer suffered a near-fatal heart attack while playing polo. About five weeks later, Packer was back in the saddle but not spending as much time at the office. He hired American Al Dunlap, formerly of American Can and Crown Zellerbach, to run things and train Packer's only son, James, to take over for him.

Kerry Packer, who prefers polo fields to boardrooms

Of 291 billionaires, not many others have $1 billion in cash.

Europe

France

By Gregory Viscusi

Dassault family

Estimated net worth: $1.2 billion

Dassault S.A., the $3 billion (revenues) maker of Mirage fighter jets, must wonder about its future, with France's $37 billion defense budget facing almost certain cuts and at a time when Dassault hasn't had an export order for Mirage fighters in four years.

Despite the resignation of the interventionist minded Prime Minister Edith Cresson, rumors persist that the French government, which controls the company through supervoting shares, may merge Dassault into a larger defense group with Aerospatiale, the state-owned dominant partner in the Airbus and Ariane consortiums.

Dassault is headed by Serge Dassault, son of the legendary aeronautic engineer Marcel Dassault who founded the company. Dassault's Mirage III became one of the most successful fighter jets in history, and was Israel's main weapon in winning the Six Day War in 1967. Dassault received a state funeral when he died in 1986.

In the face of world disarmament prospects, Serge is trying to make a mark in business jets. Dassault's Falcon 2000 will make its first flight next year. Earlier this year the company failed in a bid for Cessna, but it says it will keep looking for acquisitions. Meanwhile, Dassault has joined a consortium to build Hermes, a European space shuttle, now in the planning stage.

The Dassault family's 49% equity interest in the company is worth about $380 million. But the Dassaults also own approximately $900 million worth of stock in electronics, pharmaceutical and media companies and real estate.

Seydoux/Schlumberger family

Net worth: $3.7 billion

The world's leading tester and servicer of oil wells, Schlumberger Ltd. has been doing very well recently as oil companies have spent lavishly to find reserves safely away from the volatile Middle East. Growing out of a 1927 invention by two Alsatian brothers, Conrad and Marcel Schlumberger, Schlumberger Ltd. currently has $1.5 billion in cash. Although two family members are on the Schlumberger board, none is active in management. But family member Jerome Seydoux, 57, is working to turn around Chargeurs S.A., a diversified company. His brother Nicolas, 53, runs Gaumont, a film production and exhibition company. (The two families are linked through the Seydoux's mother, who is a Schlumberger.)

Michel David-Weill and family

Net worth: well over $1 billion

David-Weill, 60, has spent the last few years tightening the links between Lazard Freres (New York), Lazard Brothers (London) and Lazard Freres (Paris), all controlled by the David-Weill family. Lazard's international dealmaking is Lazard's strength. Branches have been opened in Frankfurt, Tokyo and Moscow.

David-Weill has wealth beyond his ownership of Lazard. Through a complex structure of holding companies, he owns large shares in some of Europe's largest companies, including Pearson and BSN. An art collector of distinction, he sits on the boards of the Louvre and New York's Metropolitan Museum.

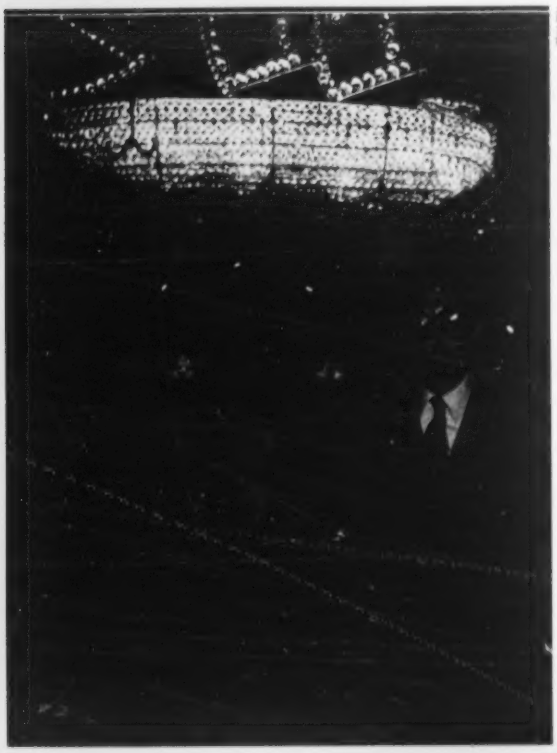
Peugeot family

Net worth: over $1.6 billion

Jacques Calvet, Peugeot's 60-year-old chairman, is known as "the Lee Iacocca of Europe" and talks of running for president of France in 1994. Meanwhile, Calvet rails against the recent agreements by the EC that will gradually open Europe to Japanese car imports. To compete by decade's end, Calvet says he must have around 10% annual productivity gains between now and then. The Peugeot family certainly hopes he can attain them; it still owns 23% of this auto company, which must compete in one of the world's toughest markets.

Serge Dassault and prototype Rafale

Is this the last hurrah?



Henry Racamier with model Ines
The store is a hit: Today Paris, tomorrow the world.

Vuitton family

Net worth: over $1.4 billion

After losing control of LVMH two years ago, Henry Racamier, who married into the Vuitton clan, has been using money he got for his LVMH shares to buy into other French luxury goods companies, from fashion to leather to perfume, for his new company, Orcofi. The first Orcofi shopping center, full of fancy boutiques, just opened in Taipei. Others are on the way. At home Racamier, 80, is busy repairing moneylosing Lanvin, owned 50-50 with L'Oréal. He has hit big with a new clothes-and-housewares store in Paris named Inès de la Fressange, named after France's famous top model.

Alain Wertheimer and family

Net worth: over $1.3 billion

The Wertheimers own Chanel, run by Alain Wertheimer, 43. Chanel is doing better than ever as perfume buyers return to classic scents. But last year's introduction of Egoïste, a men's fragrance, was not a huge success.

Liliane Bettencourt
Happiness is L'Oréal stock.

Liliane Bettencourt

Net worth: $3.5 billion

L'Oréal S.A., the $6 billion (1991 sales) cosmetics company founded by Bettencourt's father, is looking east. It has opened Lancôme boutiques in Moscow, St. Petersburg, Budapest, Kiev and Prague. A new L'Oréal perfume, Maroussia, carries the signature of a Russian designer.

Liliane Bettencourt, 69, owns 28% of the company, plus 3% of Nestlé S.A., which she received when Nestlé bought 27% of L'Oréal. Bettencourt will likely pass her holdings in both companies to her daughter Françoise Meyers.

Bouriez family

Net worth: $1.3 billion

The Bouriez' Cora hypermarkets are feeling competitive pressure from rivals Carrefour and Auchon in their stronghold, eastern France. Meanwhile, Cora is trying to sell its Revillon furs and perfume-making divisions. This June it sold off its Karl Lagerfeld perfumes division for $30 million. The furs are still on the block. The Bouriez family—three brothers, led by Philippe, and a sister—share this $7 billion (sales) operation.

Mulliez family

Net worth: $2.5 billion

The Mulliez family's 47 privately owned Auchon general merchandise stores grossed $9 billion last year. That made Auchon France's second-largest hypermarket chain, after publicly owned Carrefour.

Led by Gérard Mulliez, Auchon is now experimenting in new markets, opening stores in Turin, Italy; Spain; and Houston. The family's 80% stake (the rest is owned by Auchon's employees) is supplemented by several sizable retailing businesses owned on the side.

Italy

By Gregory Viscusi

Ferruzzi family

Net worth: over $1.1 billion

It's been rough sailing for Ferruzzi-in-law Raul Gardini. He headed the syndicate that spent a reported $100 million trying to win the America's

Cup for Italy; Forbes Four Hundred member Bill Koch beat him easily on $68 million. Last summer Gardini lost control of Ferruzzi Finanziaria (sales, $14.6 billion). His wife's siblings bought the couple out for $400 million. Gardini swore he'd never deal in Italy again. He couldn't put up with Italy's meddling bureaucrats. Picking up his chips, he moved to Paris and, through holding company SCI, is acquiring food companies.

Back home the relatives, led by Arturo Ferruzzi, 52, are consolidating the family companies and have bought stakes in several Eastern European food companies. In January they purchased Ducros, Europe's biggest spice manufacturer (sales, $300 million). They're also patching things up with the state-run companies and the government Gardini alienated.

Silvio Berlusconi

Net worth: $2.4 billion

Because Berlusconi's Fininvest owns TV stations, the Italian government forced him to sell his Milanese newspaper *Il Giornale*; he's selling it to his brother. He is fighting in court another government order putting a cap on advertising revenue of his publishing company and TV stations.

So Berlusconi, 55, is collecting shares in TV stations elsewhere in Europe. To his three in Italy he added part interests in Spain and Munich and tried unsuccessfully to take over the failed French channel La Cinq. His goal is to sell pan-European advertising packages to multinationals like Gillette. In the U.S. Berlusconi is coproducing a series pilot with CBS, and bought a piece of the rights to *Scarlett*, the *Gone with the Wind* sequel. His soccer team, AC Milan, coasted to the Italian soccer championship this year and is favored to win the European championships next season.

Silvio Berlusconi
Media baron for all Europe?

Ferrero family

Net worth: over $2 billion

Ferrero SpA is the third biggest confectioner in the world, behind Nestlé and Mars (sales $3 billion). Strong brand names: Tic Tac is big in the U.S.; Nutella, Rocher and Mon Chéri are big in Europe. The group is headed by Michele Ferrero, 67.

Salvatore Ligresti

Net worth: $1.7 billion

Most is in two holding companies, fully owned Fingit and public Premafin (he owns 76%). He also controls Grassetto, a major Italian construction company.

Starting in construction and property development, "The Sicilian," 60, built an empire in real estate, hotels, ceramics, insurance and lately part of a Milan stockbroker. He owns a toll road between Milan and Turin, and his construction company will help build high-speed train lines linking Turin to Milan and Genoa to Milan.

Agnelli family

Net worth: $3 billion

The Agnellis' 40% holding in Fiat has lost half its value in three years, but their French and Italian nonauto holdings are doing all right.

At Fiat, a seven-year $32 billion capital investment program is under way. Fiat needs to update its models. Its strength has been small city cars, but Ford's Spanish-built Fiesta has been cutting Fiat's market share. The large Chroma was a failure. Its acquisitions of Alfa Romeo and Lancia have failed to do much for Fiat.

Almost the entire line will need to be updated before the Japanese imports are allowed to hit full flood in Europe after 1999. Fiat's truck and tractor operations are also underperforming.

It is building a new state-of-the-art plant in southern Italy and will turn out a redesigned Uno, Fiat's top-selling car, by late 1993. Some $2 billion is being invested in the Polish carmaker known as FSM. Fiat has old ties with Eastern Europe, and Poland promises cheaper labor than Italy.

Benetton family

Net worth: $2.1 billion

Four siblings founded their clothing company—Benetton Group SpA. The Benettons revel in unconventional image advertising: not about clothing. Until recently it was relentlessly cheerful youth displaying multiracial and multinational harmony that suggested to its young (mainly 18-to-34-year-old) target audience that Benetton was "with it." Now Benetton is "with" a different image it hopes will appeal to the young in the 1990s: stark images of a family with a son visibly near death from AIDS, or Albanian refugees jumping into the ocean from a ship. In a not-so-subtle way, the Benettons seem to have

Gianni Agnelli
But will he smile for the Japanese?

caught the spirit of the current fin de millennium: We've got it good, but we feel guilty. (A subject that FORBES will tackle in its 75th Anniversary issue this September.)

United Kingdom

By Gregory Viscusi

Vestey family

Net worth: at least $1.2 billion

Timothy Vestey, only 31, has just taken the helm of his family's century-old meat-based business empire. The $3 billion (revenues) group has ranches in Brazil and Venezuela, connected to the home islands by a fleet of refrigerator ships run by their Frederick Leyland shipping business. Back home is the J.H. Dewhurst chain of 1,100 butcher shops.

Timothy's father, Edmund, and his cousin, Samuel Lord Vestey, have given up running the business after nearly running it into the ground. News of trouble broke last year when Union International, the family's largest company, had to reschedule about $720 million of debt. Poor management is the cause of the trouble, but it was attempts at real estate development in London that exposed the Vesteys' shocking weakness. U.K. property has slumped as much as 40%—back to 1987 levels—and Union is sitting on office blocks it fecklessly built and can't rent. Further writedowns may loom. The upshot: Pop and Cuz retain ultimate power through family trusts, but now spend more time on hunting and polo.

Young Timothy never went to college. But he did do a stint in the army, and he has worked in the business since he was 22, in Australia, Latin America and Britain.

Tim is known to be friendly and approachable in a family famous for secrecy, but since he took over in June 1991, he has shown remarkable steel. He is decentralizing and shrinking the operating divisions' bloated staffs. He closed eight meat-trading branches on the continent and replaced them with one office in the Netherlands to serve all the rapidly unifying EC. He sold off peripheral losers like insurance brokering and introduced stricter financial controls. He also recruited

Terry Robinson, who was the heir apparent to Tiny Rowland at Lonrho, as chief executive to manage Union and negotiate refinancing. Robinson will help Tim cut back to the core meat and property businesses.

Since last year the Vesteys have sunk about $65 million of family money into shoring up their empire. A lot now rides on young Timothy Vestey's shoulders.

Richard Branson

Net worth: $1.2 billion

Rarely seen with a haircut or a necktie, Branson joins the ranks of world billionaires at age 42. In March he sold his Virgin record label to Thorn EMI Plc. for $961 million. That leaves his private Virgin Group Plc. with 28 Virgin music retail megastores in eight countries, and his Virgin Air, an expanding carrier that offers first-class service for business-class prices and business class at economy prices. Britain's government is talking seriously of privatizing British Rail; Branson has said he's interested in the rail business. The onetime flouter of conventions is now married and lives in a house, not a houseboat.

Moores family

Net worth: $1.1 billion

Liverpool's richest family is still headed by 96-year-old Sir John Moores. Their Littlewoods is Britain's downmarket retailer and operator of football betting pools. The retailing and betting businesses are doing well, but they could not find a buyer for their mail order division, which is no longer for sale. There's a cloud on the horizon. With Britain in the EC, Continental mail order firms are eyeing the Moores' home market.

Gerald Cavendish Grosvenor

Net worth: well over $1.6 billion

The Duke of Westminster runs his 300-year-old family real estate fortune, based on 300 acres of prime central London, through Grosvenor Estate Holdings. Many institutional investors prefer bonds to real estate these days, and property prices and rents are sinking in most major cities. The duke isn't fazed; he thinks in the long term. Says one associate of his employer's philosophy: "Business cycles come and go as sure as night and day." The family's overseas operating company, Grosvenor International, is based in Vancouver, B.C.

David Sainsbury and family

Net worth: $6.2 billion

The family still owns nearly 40% of highly profitable British supermarket chain J Sainsbury Plc., founded 123 years ago. David, 51, deputy chairman, alone owns $2.8 billion worth of Sainsbury stock. Other very wealthy Sainsburys include his cousin John Sainsbury, retiring as chairman in November, at 65. In the U.S., Sainsbury owns the Shaw's supermarket chain, with some 70 stores in New England.

Greece

By Gregory Viscusi

Stavros Niarchos

Net worth: well over $1 billion

Known as one of "The Golden Greeks," Niarchos, now 83, is in bad health after repeated surgery. With the Niarchos family's fabulous art collection, racehorses, real estate and, say sources, lots of cash, at risk, Niarchos reportedly is pulling his tankers off

Niarchos at Swiss sanatorium

Says no to unlimited liability.

U.S. routes. And giant Shell Oil no longer delivers crude using its own ships to most U.S. ports. That's in response to federal legislation inspired by the *Exxon Valdez* disaster that puts unlimited liability on shippers that spill oil in U.S. waters.

Observers predict unintended consequences. The better shippers like Niarchos, with the safest tankers, will retreat and make way for quick-buck operators with poorer ships and fewer scruples about safety.

Goulandris family

Net worth: over $1.6 billion

A Goulandris niece, Chryssie, 44, married H.J. Heinz Co. Chairman Anthony O'Reilly last September. O'Reilly made $75 million last year, more than any other U.S. chief executive (FORBES, *May 25*). But at home he's the poorer spouse. Chryssie's uncle, Basil Peter Goulandris, runs one of this shipping family's three branches out of New York, London and Athens. Cousins run London-based N.J. Goulandris Ltd. and Goulandris Brothers Ltd. Tanker values have dived since the Gulf war. Operators (particularly Norwegians) who bought ships at the last peak with lots of borrowed money have high debt burdens, low ship rates and rising costs. If they must sell, the Goulandrises and other Greek shipping families will probably be ready to buy. "They must be sitting around with crocodile grins," says an observer.

John Latsis

Net worth: over $1.6 billion

Last summer Latsis, 82, lent his 400-foot yacht to the Prince and Princess of Wales for a "second honeymoon." But to judge from the royal couple's marital problems, the cruise didn't do much good.

Latsis gave Britain's Conservative Party $3.6 million for last spring's election, which the Tories won. Latsis also has close ties with many Saudis, including the royal family.

He has been buying depressed real estate in prime central London locations, a gamble. "If I were in his position, I would be nervous," says the British real estate executive who sold Latsis an office/apartment building on Park Lane for what he calls "a generous" $18 million. Meanwhile, son Spiro is busy setting up private banks in London, Geneva, Athens and Luxembourg.

Spain

By Pablo Galarza

As Spain wrestles with the problems of getting on equal footing with its EC partners, its billionaires wrestle with the gathering problems of Spain: inflation, high interest rates, economic slowdown after a long boom, border-crossing by foreign competition.

March family

Net worth: over $1.5 billion

Brothers Juan, 52, and Carlos, 46, control much of holding company CF Alba, which is heavy in construction-related businesses, and all of Banca March. But Spain's economy is suffering growing pains, and so are the March interests. Construction is slowing and banks are hurting. The only strong sector of the visible March portfolio is an interest in the burgeoning hypermarket industry: In Spain, too, more women are going to work, which means more disposable income to spend—and a need for fast, convenient, one-stop places to spend it.

Botin family

Net worth: over $1 billion

Headed by Emilio Botin Sr., 89, but led by Emilio Jr., 57, the family controls its Banco Santander through direct and indirect holdings. If European banks are coming to Spain, Santander will go to Europe. With Royal Bank of Scotland (of which Santander bought 10%), the bank has developed IBOS (interbanking on-line system), a computerized leg up on the correspondent-bank system. It allows customers to use branches of any member bank for any transaction, as if they were all one big bank. Yet each retains the advantage of being local. Portugal's Banco do Comercio e Industria and France's Crédit Commercial have joined IBOS. Santander wants a bank from every EC country.

Alicia and Esther Koplowitz

Net worth: near $2 billion

Having notoriously shed their adulterous spouses, the billionaire Koplowitz sisters, daughters of a refugee from Nazi Germany, have merged

Esther

Alicia

the two companies they inherited. Now they own 70% of public Fomentos de Construcciones y Contratas, one of the largest construction companies in Spain. A necessary move: first, to compete for the biggest contracts in EC-opened Spain; and second, to compete in Spain-opened EC. As Spain becomes a richer society, the second piece of their company—30% of revenues are from a sanitation division—should benefit: Soon Spain, too, will be able to afford more waste.

Baron Hans Heinrich Thyssen-Bornemisza

Net worth: around $1.5 billion

Many countries wanted it, but Spain will get the baron's $1 billion art collection, including John Constable's "The Lock," for which he paid $19 million in 1990. Many of his 1,400 paintings will soon be on view in a 16th-century Madrid palace. He is lending the collection to Spain for nine years, but there is no decision yet on who gets it when he dies. Why Spain? The fact that the 71-year-old baron's latest wife, Carmen, 48, is a former Miss Spain no doubt helped.

Meanwhile, the baron's son Georg, 41, unmarried, manages Thyssen-Bornemisza Group, the family's business interests, based in Monaco. It recently sold some businesses but still has operations in information systems, precision metal works, agricultural machines and electrical testing and measurement.

Switzerland

By Linda Killian

Stephan Schmidheiny

Net worth: $1.5 billion

Concerned with environmental issues, Schmidheiny addressed the Earth Summit in Rio as chairman of his U.N.-affiliated Business Council for Sustainable Development. It wants to promote development that uses energy more efficiently, producing less pollution and protecting the environment for future generations. Stephan, 45, spends much of his time trying to convert other businessmen to the cause rather than on his Swiss holding companies Anova, Nueva, and Unotec. They own trading, engineering, real estate, construction and electronics firms, plus camera and optical instrument maker Leica, which is fast expanding in the Far East.

Older brother Thomas, 47, estimated net worth of $500 million, controls Switzerland's Holderbank, one of the world's biggest in cement production.

Hans Liebherr

Net worth: $1.2 billion

Working at his parents' building company in southern Germany after the war, Hans developed a construction crane that was easy to move from one building site to another. With that idea, Liebherr International (1991 sales near $3 billion) was born in 1949. Hans, now 76 and still chairman (his four sons and daughter each run a division), makes our list for the first time this year. The company has been Swiss since 1983 for tax reasons.

Germany remains Liebherr's single biggest market, bigger still with the reconstruction of what used to be East Germany. Most sales are of very high quality construction equipment: cranes, excavators, loaders, concrete mixers. The company also makes refrigeration units, as well as landing gear and air-conditioning for aircraft, which drew Liebherr into Boeing's 777 jumbo jet program and maybe a permanent foothold in the U.S. aircraft equipment market. Other family holdings include six European hotels and three U.S. farms.

Maus/Nordmann family

Net worth: $1 billion

After taking on a huge amount of debt to acquire Carson Pirie Scott, Chicago's number two department store chain, in 1989, the Maus/Nordmann's Bergner & Co. department store chain filed Chapter 11 last August. "In retrospect we paid too much for the company," admits a spokesman. The family may have sold its 40% of prestigious French department store Au Printemps for $625 million last fall to raise cash for the American disaster. The families, related by marriage since 1929, can fall back on their still healthy Maus Frères department stores throughout Switzerland.

Klaus Jacobs

Net worth: $1.5 billion

Having sold his family's coffee-and-chocolate firm, Jacobs Suchard, to Philip Morris for $1.4 billion in 1990, Jacobs, 55, paid $340 million for 28% of Swiss-based Adia S.A., the world's second-largest temporary employment agency. Adia's shares promptly plunged 70%: Its temp business hasn't proved recession-proof, especially in the U.S. His American confectionery, E.J. Brach, is hurting, too.

Walter Haefner

Net worth: $1.2 billion

Cereal, heart of his fortune, is the Swiss distributor for Porsche, VW and Audi; sales, about $1.75 billion, 16% of the Swiss car market. A recession has cut car sales, but Haefner also owns 21% of U.S. software company Computer Associates. His son, a math professor, and daughter, who works with the mentally handicapped, show no interest in the business. Haefner, at 82, shows no sign of retiring.

Hoffmann family

Net worth: over $2.8 billion

Paul Sacher, 86, has for many years been on the board of pharmaceutical giant Hoffmann-LaRoche. His late wife, Maja, was the widow of Emanuel Hoffmann, only son of company founder Fritz Hoffmann. He lives quietly, at Karl Kipp's *(which see)* five-star Tschuggin Hotel in Arosa, Switzerland in season, and presides over the Hoffmann and LaRoche families' controlling, special voting shares in the $21 billion (market value) company.

Sweden

By Linda Killian

Rausing brothers

Net worth: $7 billion

After ten years in Switzerland, Tetra Pak joins other Swedish firms coming home after the government cut taxes on personal income, capital gains, dividends and interest income. The $8 billion (sales) company is a worldwide maker of sealed packaging that permits long-term storage of spoilable liquids without refrigeration. Another reason for going home is last year's $2.45 billion acquisition of Alfa-Laval, Sweden's big dairy and food processing equipment company. Hans, 66, chairman, and brother Gad, 70, who isn't active in management, own the whole company. They remain tax refugees living in the U.K.

Ingvar Kamprad

Net worth: $2.8 billion

Swedish-based Ikea, the discount furniture chain founded by Kamprad, still gets 85% of its $3.8 billion sales in Europe. But it pushes hard in the U.S. and is adding Budapest, Prague, Leipzig and Warsaw. Kamprad, now 66, stays chairman: "I don't think he will ever slow down. This is his life," says a company spokesman.

Netherlands

By Linda Killian

Fentener Van Vlissingen family

Net worth: $2.8 billion

The family fortune is based on stakes in European oil and natural gas companies Calor and Primagaz, and retail chains Makro and Metro. Grouped under SHV Holdings, they're run by Paul Van Vlissingen, 51. Brother Frits Henry, 58, runs the family's private investment company. Brother John, 53, ran Noro Group, an investment group that also handled an estimated $1 billion of family money. Last fall John was cleared of shareholders' charges that he manipulated funds to benefit himself while they took big losses on real estate. However, he resigned as head of the group.

Brenninkmeyer family

Net worth: well over $4 billion

A supersecretive clan, the Brenninkmeyers own a 150-year-old chain of low-priced apparel stores, now worldwide. In Europe, they are C&A; German sales are near $5 billion. In the U.S., eight regional chains with 1,200 stores: The Lodge in New England, Steinbachs in New York. Family are devout Roman Catholics and one member is a South African bishop. Now fifth-generation, the clan is still based around its retreat in Bettingen on the German border, where most family members are buried.

Denmark

By Linda Killian

Kristiansen family

Net worth: at least $1.5 billion

Lego Systems A/S, maker of those brightly colored plastic Lego blocks, is among the globe's top ten toy companies. Worldwide sales estimated at $1.7 billion. The private company was founded in 1932 by Ole Kirk Christiansen (d. 1958). His heirs still own the company and changed the spelling of the family name. Son Godtfred, 72, is chairman; the company is run by grandson Kjeld Kirk Kristiansen, 43. Based in tiny Billund, 150 miles west of Copenhagen, the company operates Legoland, a city made from 42 million Lego blocks. Legoland is Denmark's second-biggest tourist draw. Kjeld, who lives near the factory and is considered a workaholic, is thinking of building new Legolands, at $100 million each, in Europe and the U.S. San Diego, Boston and Washington, D.C. are possible sites.

Germany

By Diana Fong, Linda Killian and Philip Glouchevitch with Forbes von Burda

Opening to the East

Some of Germany's billionaires understand perfectly well that long-term opportunity often comes dressed as short-term trouble, and act accordingly. Although they do not underrate the problems of investing in the part of their country that was formerly a socialist republic, neither are they willing to forgo what could be the chance of a lifetime to gain a foothold in an economy of 17 million people that has only one direction to go: up.

Erivan Haub

Net worth: $6.9 billion

Germany's richest individual, he's also the biggest individual player in the opening to the East. His Tengelmann Group supermarket chain is investing some $190 million annually in eastern Germany, to build the same 8% market share he has in the West: a big reason his German sales were up 22% in 1991, to $13 billion. A new $125 million supply center just outside Dresden, his biggest and most modern, will service Haub's PLUS discount stores in eastern Germany as well as stores yet to come in Poland and Czechoslovakia. To help eastern producers stand up to western competition, Tengelmann has guaranteed to buy certain eastern German products. Haub's stores, east and west, stock 800 such items.

Haub, 59, and his wife, Helga, hold precautionary dual Canadian-German citizenship; His sons have U.S. citizenship. The family owns the A&P grocery chain in the U.S.

But he's facing East.

Erivan Haub

World's richest green?

Johanna, Susanne and Stefan Quandt

Net worth: over $4 billion

The widow Johanna, 65, and two children of industrialist Herbert Quandt (d. 1982) own over 60% of BMW—1991 revenues $19 billion—which Herbert built up. BMW sold nearly 10,000 cars in eastern Germany last year, up from zero not long ago. (Eastern Germans bought 500,000 cars last year.)

Johanna Quandt

And she has two billionaire children.

BMW is only the most visible part of the Quandt empire. Herbert's children from an earlier marriage own a controlling stake in Varta A.G., Europe's second-leading battery maker. Susanne, 29, controls Altana A.G., a diversified company best known for pharmaceuticals. Stefan, on turning 25 this year, will get control of Delton A.G., which controls a variety of businesses, and be a billionaire himself.

Heinz Bauer

Net worth: $1.6 billion

Bauer, 52, also is quick to benefit from the East's appetite for all things Western. His Bauer Verlag publishes Germany's equivalent of *TV Guide* and a string of women's and other magazines like *Quick, Bravo* and *Tina*, putting it in Germany's Big Four magazine publishers (with Springer, Bertelsmann's Gruner + Jahr, and Burda, publisher of our sister magazine Forbes von Burda).

Bauer has seen sales jump 20% (to $1.6 billion) since the Wall came down. He has the East to thank, though his company says its women's magazines in the U.S., *Woman's*

World and *First for Women*, sold in supermarkets, are "in the black."

Oetker family

Net worth: $3.2 billion

Dr. Oetker is to Germans what Betty Crocker or Stouffers is to Americans. Puddings, cake mixes and frozen foods bearing the name are familiar to virtually every household. Oetker products also appear in almost every European country except Britain. For it, the 1990s strategy is to concentrate on Eastern Europe. It has control again of a Polish food plant in Gdansk that belonged to the Oetker group until 1944; it has a new joint sales venture with a Czechoslovakian partner. There will be more: The Oetkers, now led by a great grandson of the founder, also named August Oetker (he's 48), are in shipping, luxury hotels, supermarkets, breweries and financial services.

Grete Schickedanz and family

Net worth: $3.3 billion

At 80, Grete Schickedanz still oversees Quelle, Europe's biggest (1991-92 sales, $9.4 billion) mail-order house. She has turned active management over to her son-in-law Wolfgang Bühler, who also runs her Apollo optical chain, furniture retailing, photo outlets and a Coca-Cola concession. Quelle got a huge boost from German reunification, but with eastern Germany at least temporarily leveling off, the company is looking for customers elsewhere in the former Eastern bloc. There is the small-potatoes Intermoda catalog in Russia, which sells for hard currency, not rubles. Quelle is also in Hungary, Czechoslovakia and Poland, in local currencies. "We want to have our foot in the door from the very beginning," explains a director.

Herz family

Net worth: $2 billion

Walk in a German shopping district, and you're likely to smell the aroma of freshly roasted coffee from one of 600 Tchibo stores—which also sell discounted VCRs, makeup kits, cookware and bathrobes. The founder's son, Günter, 52, is taking Tchibo Frisch Röst Kaffee beyond eastern Germany, to undercoffeed Czechoslovakia. Tchibo Holding has 26% of Beiersdorf (Nivea skin creams) and 71.4% of

Albrecht brothers

Theodore Albrecht

Just one of 2,200 Aldi discount stores in Germany

How to make billions on penny-pinching.

Karl Albrecht

Net worth: $5.1 billion

If you think Wal-Mart's tough, try the Aldi supermarket chain, founded 1948 by secretive Theodore, 70, and Karl, 72. It is now international, with 300 stores in the U.S.' Midwest under the Aldi sign. Low-cost? Try 20% below even discount supermarkets. With prices like this Aldi's stores get by with almost no advertising.

The secret of the low prices is tight penny-pinching. Aldi stocks mostly canned and dry goods, and little meat and dairy, saving the costs of spoilable produce. It stocks only 500 to 600 basic items, which is about all the cashiers' memories can manage. The cashiers manually punch in numerical codes faster than any fancy electronic scanner because they know the price of every item in the store. That means price labels are not needed on the cans and packages. And when they're not tending the till, cashiers replenish shelves or mop floors, or are sent home when business gets slow. Aldi pays above-average union wages and does everything it can to keep unions out or undermined and weak. By dividing its 2,100 western German stores into 32 independent regional companies, it tries to deny companywide unions any real leverage on Aldi.

This powerhouse of Spartanism is growing: It has a reported 100 new supermarkets in eastern Germany. It has 40 in Britain—and plans 200 by mid-1993. It is renting space in stores of a major British chain, Gateway, which will supply fresh foods to the Aldi customers. Might the U.S.' Albertson's supermarket chain try the same deal? The Albrechts have owned 11% of it for years.

Reemtsma, Germany's second-largest cigarette maker after Philip Morris GmbH, to take east.

von Siemens family

Net worth: $2.2 billion

A von Siemens family trust retains 10% of the stock and effective voting control of giant Siemens A.G. Siemens' new CEO will be Heinrich von Pierer, 51, the engine behind last year's acquisition by Siemens of controlling stakes in Czechoslovakia's Skoda energy and transport units. That was part of an overall expansion plan to reestablish Siemens' big prewar business in Eastern Europe. Eastern Germany has already generated $2.1 billion in orders. Expect more.

Bosch family

Net worth: $1.2 billion

Robert Jr., 64, a psychologist, and sister Eva Madelung own 8% of late father's Robert Bosch GmbH, one of Germany's ten biggest companies (world sales, $20 billion), which makes automotive parts, consumer goods, communications and industrial equipment. Robert Jr. is on the board of the charitable foundation owning the other 92% of the firm.

Haindl family

Net worth: $2.1 billion

Clemens Haindl, 55, has taken over from brother Ernst, 66, the direction of Germany's third largest paper company, Haindl KGaA (1990 sales, $1.4 billion). Two years ago the company invested over $250 million in an old East German paper plant in Schwedt, on Germany's Polish border—a big bet. When fully operational in 1993, it will boost company newsprint capacity 25%.

Merck family

Net worth: $2.5 billion

Merck Group, a big maker of pharmaceuticals and chemicals long since severed from the U.S.' Merck, Inc., grows slowly but surely. It let itself be outbid recently for what had been East Germany's leading pharmaceutical company. Chief Executive Hans Joachim Langmann, 67, a family member, said he regretted that, but Merck won't get into bidding contests that carry prices beyond what it considers reasonable.

Henkel family

Net worth: $4.3 billion

Family-owned (except some public nonvoting preferred stock) specialty chemicals and consumer products company Henkel KGaA is spreading through the world. In the U.S. it has its own specialty chemicals operations, plus 27% of Clorox and 26% of Loctite. Last year Henkel paid over $550 million for Swedish cosmetics firm Barnangen, which is also strong in Italy, France and Spain. Henkel is also in Hong Kong and Southeast Asia and recently moved into Poland.

Otto family

Net worth: $2.6 billion

Hamburg-based Otto Versand, the world's biggest mail-order house (sales $12.8 billion), has brought seven-day, round-the-clock home shopping by telephone, common in the U.S., to Germany. What of the German labor laws that forbid night shifts and weekend work? Simple. Otto Versand channels telephone orders from Germany into nearby Denmark, a country with some of the most liberal labor laws in the EC. Otto Versand is run by Michael Otto, 49, eldest son of founder Werner Otto's five children. The company is growing internationally, having acquired Spiegel here in 1982. It's got Grattan in the U.K., Trois Suisses in France, Otto-Sumisho in Japan, and presences in eight other countries.

The Metro Billionaires

One of the world's biggest businesses started by getting around Germany's labor laws—creating two billionaire fortunes and greatly augmenting another. Otto Beisheim, 68, founded German-origin retail and wholesale giant Metro. Its 1991 sales are estimated at $30 billion.

Otto Beisheim

Net worth: $3.4 billion

In 1964 Otto Beisheim saw U.S. cash-and-carry stores and realized a wholesale operation could get around Germany's restrictive store closure laws, which forbade evening and weekend hours. He would be a wholesaler, exempt from the law, instead of a retailer. But he'd wholesale to almost anyone who came in. Beisheim brought in the Schmidt-Ruthenbeck and Haniel families, operators of supermarkets and food distribution chains, as partners when he ran short of cash early on.

Beisheim still guides Metro, and in February, with several partners, launched a German cable channel to air popular American and British

Beisheim (with mobile phone) at Key Biscayne tennis tournament

If his houseboy answers, don't hang up.

films. He travels on a Swiss passport to winter in Bal Harbor, Fla. Beisheim hates publicity: He pretended to a FORBES reporter on the phone that he was his own German housekeeper. An avid sports fan, he golfs (11 handicap), has three foundations that mainly fund athletic programs, and frequents tennis tournaments.

Haniel family

Net worth: estimated $6.4 billion

This clan runs its own giant company plus its Metro holding. Franz Haniel & Cie. GmbH (1991 sales, $10.8 billion) owns major food wholesalers Scrivener's and Gateway Foods in the U.S. and is investing $600 million in eastern Germany to develop pharmaceutical, trucking, environmental consulting businesses. (The latter, with customers like Volkswagen, is growing at double-digit rates.)

Schmidt-Ruthenbeck family

Net worth: $3.4 billion

Secretive brothers Michael and Rainer Schmidt-Ruthenbeck live quietly, somewhere, vastly enriched by their late father's fortunate investment in Metro.

The fight with Germany's retail association—and trade unions—over Metro's extended hours continues, while Metro has grown and grown. Along the way it added 51% of big German retailer Kaufhof and holdings in two others, Asko and Kipp's *(which see)* Massa.

In the U.S. it owns wholesaler Jetro Cash and Carry. Chief Executive Erwin Conradi says nearly 50% of Metro's business is now in outright retailing operations, and that is where it will grow: Elsewhere, it doesn't need to worry about Germany's crazy paternalism. *(See also the Otto family.)*

Leo Kirch

Net worth: $1.5 billion

Kirch, 65, is Europe's leading distributor of movies, and of TV reruns. Like the Metro billionaires, he avoids the limelight, exercising control behind the scenes: He has stakes in most of Germany's private, cable and pay TV channels. A few years ago Kirch sold a huge film package to a company owned by Beisheim, who flipped the films at a big profit to private stations—one part-owned by son Thomas, the other mostly owned by Kirch and mass newspaper publisher Axel Springer, where Kirch has 26% and has forced his way on to the board. Kirch also has close ties with Italian media mogul Silvio Berlusconi *(which see)*.

Reinhard Mohn

Net worth: $3.7 billion

Mohn, 71, built up media giant Bertelsmann (1991 sales, $9.3 billion) from his family's tiny, bombed-out hymnbook publisher after World War II. Bertelsmann paid $475 million for the U.S.' Doubleday publishing and $333 million for RCA Records in 1986, but dropped out of the bidding for Richard Branson's Virgin Music Group when Thorn EMI paid £510 million for Virgin. "That's at least double what we would've wanted to pay—not that we don't have the money," explains a spokesman. More to the company's liking was an 868,000-square-foot office building in New York's Times Square bought in March for $119 million to house U.S. operations, which include the music and publishing divisions. That's about $137 a square foot, vs. about $300 a square foot a couple years ago.

von Oppenheim family

Net worth: $2.8 billion

Baron Alfred, 58, and cousin Manfred, 68, are making Sal. Oppenheim Jr. & Cie. bank (equity, $622 million) a force to be reckoned with in post-1992 Europe, adding industrial and trade clients and institutional investors to the high-net-worth individuals at Germany's biggest private bank. There is a New York connection with the Blackstone Group, for transatlantic mergers and acquisitions.

Wedding bells

Friedrich Karl Flick Jr.

Net worth: $3.3 billion

Flick, 65, enjoys life with third wife, Ingrid, 32, after liquidating family's industrial empire in 1986. He successfully invested a few million in proving kidnapping is a dumb crime. When a hapless gang grabbed Flick's brother-in-law near his home in Austria, just before Christmas, Flick put up the DM 10 million ransom. When the ransom was paid, reportedly at a Vienna train station, the police were waiting. The victim was safe; Flick got his investment back.

Chantal Grundig

Net worth: $2.2 billion

At 43, the widow of German business legend Max Grundig (d. 1989 at age 81) minds the big stakes he left behind in Dutch consumer electronics giant N.V. Philips and his own Grundig A.G. for her and their daughter, Maria-Alexandra, age 12. But even billionairesses need more than money to be happy: She may finally be able to marry her lover, a heart surgeon, 54—he recently divorced his wife of 30 years.

August and Wilhelm von Finck

Net worth: $2.5 billion

Wilhelm, 64, pursues the life of a Bavarian country gentleman on his vast estates near Munich. Brother August, 62, is the active one. Last January he bought a controlling interest in a struggling Swiss-based restaurant chain, Mövenpick. In March he bought an estimated 10% of Swiss metals company Alusuisse. Back home in Bavaria, he continues to hold the majority of Würzburger Hofbräu and Löwenbräu breweries as well as a stake in a variety of banking and industrial interests.

Josef Schörghuber

Net worth: $2.4 billion

Known as "Bavaria's Goldfinger" for his massive real estate deals and his massive girth, Schörghuber, 72, owns prime Munich real estate, a construction outfit, Coca-Cola concessions, the Arabella hotel chain (named after his daughter but run by son Stefan), and several breweries, including Paulaner, Bavaria's largest, which is in the red after a fouled-up attempt to expand in northern Germany.

Karl Heinz Kipp

Net worth: $2.4 billion

Another retired German retail power, 68, lives in Switzerland's five-star Tschuggen Hotel, which he owns with three others. He sold his Massa discount stores years ago—but collects $60 million annual rent until 2015 on the buildings occupied by the 27-store chain. He also has New York office buildings formerly managed by son Ernst Ludwig of Annapolis, Md. Ernst is now out of the family business; Kipp's daughter, Ursula Bechtolsheimer, and her husband are in.

Voith family

Net worth: $2.4 billion

The feud between two Voith family branches ended in the division into two parts of J.M. Voith GmbH, the 125-year-old manufacturer of papermaking machinery and heavy equipment. One set of cousins will keep the core industrial businesses, while the other takes the private financial holding company, known as DEWB A.G., and some lesser machine-tool businesses.

Mann family

Net worth: $2.1 billion

The family-owned Wertkauf/Mann group has 20 German hypermarkets and Mann Mobilia furniture stores, estimated sales $2.1 billion. Hugo Mann, 78, acquired Fed-Mart (California and Texas) in 1975 to introduce hypermarkets; his effort had failed by 1983. Son Johannes, 40, now runs the group, and is just as secretive as his father. Mother Rose, however, wrote a cookbook.

Willi Leibbrand

Net worth: $1.9 billion

Having sold out his discount supermarket outlets to Cologne-based Rewe Zentrale and liquidated his U.S. holdings, Leibbrand, 60, is making his mark in the wine business. Now retired, Leibbrand spends much of his time at the Hotel Schloss Reinhartshausen, a 53-room château on the Rhine near Frankfurt, which he bought four years ago. The hotel's 400 acres of vineyards produce Schloss Reinhartshausen Rieslings and chardonnays. His company also imports Mondavi wines and Taittinger champagne to Germany.

Freudenberg family

Net worth: $1.9 billion

Freudenberg Group, near Heidelberg, is world leader in nonwoven textiles, used in interlining garments, tufted carpets and baby diapers—40% of 1991's $2.8 billion turnover. Run by fourth-generation Reinhart Freudenberg, 60, it started from a tannery that still supplies boxcalf leather for shoes to Bally and Allen-Edmonds. Diversified industrial products are roughly half of sales.

Rolf Gerling

Net worth: $1.8 billion

Hans Gerling, who died last August at 76, built Gerling Konzern into Europe's largest insurer of industrial risks (1991 premium income: $6.1 billion). He almost lost it all in that

Rolf Gerling
He prefers research, but he intends to keep his patrimony.

infamous banking crisis, the Herstatt affair of 1974, but won it back, thanks to help from fellow billionaire Flick *(which see)*.

Control passed to son Rolf, 38, (three sisters were bought out years ago). Rolf, whose father appointed Adolf Kracht to run the business, himself will be busy with his research institute specializing in industrial psychology and with his passionate environmentalist interests.

Boehringer family

Net worth: $1.8 billion

Family head Hubertus Liebrecht died last July. A nonfamily executive moved up to chief executive of the pharmaceutical Boehringer Ingelheim Group (1991 sales, $3.4 billion), but the family is committed to keeping the 100-year-old company, if necessary paring down its businesses (cardiovascular, immunology, central nervous system and respiratory drugs) to concentrate its resources. Boehringer is active worldwide. In Japan (11% of sales), the company now owns its own distribution.

Porsche family

Net worth: $1.7 billion

Descendants of auto genius Ferdinand Porsche, foremost among them Ferdinand Piëch, 55, new chairman of Volkswagen (FORBES, *Apr. 27*). The family's German sports car company is troubled, but Porsche's Weissach research center and the separate Porsche holding company in Austria still prosper.

Röchling family

Net worth: $1.6 billion

Public Rheinmetall, based in Düsseldorf, supplied weapons to German leaders from Kaiser Wilhelm II to Adolf Hitler. Besides tanks, artillery and ammunition, it now makes automotive components and industrial machinery—and has a large paper machinery plant in Enfield, Conn. The Röchling family, with over 150 members, own 63% through their private holding company, which also owns engineering plastics, measurement instruments and telecommunications equipment firms.

Engelhorn family

Net worth: $1.5 billion

The Engelhorns, new to this list, have been producing pharmaceuticals for more than a century. They control the Boehringer Mannheim Group through a Bermuda holding company and have offices in London and Luxembourg. Boehringer is best known for diagnostic testing, as well as heart and diabetes drugs, which it sells in the U.S. and many other countries, including Germany. Curt Engelhorn, 66, (pictured above) who studied chemical engineering at the University of Texas, still oversees things after running the group for 30 years.

Werhahn family

Net worth: over $1.3 billion

The little-known Werhahns of Neuss on the Rhine, over 180 strong, have Wilhelm Werhahn K.G.: building materials, flour milling and much else (1991 sales, $2 billion). Also 50% of Strabag Bau, Germany's fourth-largest construction company. There is much more: A recently hired manager told a German magazine he was "surprised by the enormity of the Werhahns' hidden assets."

Adolf Merckle

Net worth: $1.3 billion

Merckle Group: Ratiopharm, Germany's leading generic drug producer; major drug wholesaler Ferd. Schulze GmbH; stakes in three other drug companies and a cement company; develops brand-name drugs through Merckle GmbH. Built on a family drug company by secretive Adolf, 58, the group cannot expand further in Germany without cartel problems. It is looking abroad.

Brost family
Funke family

Net worth: each $1.3 billion

Liberal Erich Brost, conservative Jakob Funke (d. 1975) founded regional daily *Westdeutsche Allgemeine Zeitung* (WAZ) 1948. They built Essen-based WAZ Group into Germany's largest regional publisher with low subscription rates, extensive classifieds. It has three other Ruhr dailies, magazines, stakes in TV and local radio stations, two of Austria's largest papers—25% of Otto Versand *(see Otto)*. Half is owned by Funke's four daughters, half by Brost, 88, and adopted son Erich Schumann, 61.

Reimann family

Net worth: $1.3 billion

Eleven Reimanns own Joh. A. Benckiser GmbH (1991 sales: $2.3 billion). Ambitious Benckiser is acquiring fast in consumer products from perfume to detergent. In May it agreed to pay $440 million to Pfizer for Coty cosmetics in the U.S. Acquisitions are financed largely through bank debt and commercial paper, and equity is less than 20% of total capital. But operating cash flow is still over twice the debt service.

The Reimanns leave running the company to CEO Peter Harf, who is a fanatical cost-cutter. Benckiser, based in Ludwigshafen, will soon return to the small villa previous management felt it had outgrown—in the 1950s; the former headquarters was sold to chemicals giant BASF.

Conle family

Net worth: $1.1 billion

LTU (Lufttransport Union), the charter airline that recently took an option to buy Thomas Cook travel service, thrives by offering cheap tour packages to Germans bound for Spain, Greece or Turkey. But as European skies deregulate, competition rises and LTU (1991 sales, $1.6 billion) must adapt. It has added service to Asia and America and is starting a joint venture with Club Med. The Conle family owns 60%, but Westdeutsche Landesbank owns 34% and controls management. The bank envisages a public offering for LTU soon.

Middle East

Saudi Arabia

By R. Lee Sullivan

Unlike Kuwait, Saudi Arabia is enjoying an economic rebound that has spurred consumer demand up and down the Gulf. And it's not just a small claque of royal princes who are doing the buying.

Saudi Arabia (pop. 15 million) has a rapidly growing middle class. Spurred by television advertising, they're buying all manner of consumer goods. Especially popular: anything American in the wake of the Gulf war. Thanks largely to the consumer spending boom, gross domestic product rose 6.6% in 1991; 3% is expected this year.

Where are the Kuwaiti billionaires?

Kuwait's two biggest merchant families, the Al-Ghanims and the Al-Kharafis, are not back on this list more than a year after the Gulf war ended. They are still rich, but the depressed Kuwaiti economy makes their status somewhat uncertain.

The reason is simple: With the expulsion of foreigners following liberation, Kuwaiti businessmen have lost half their domestic market and their most skilled workers.

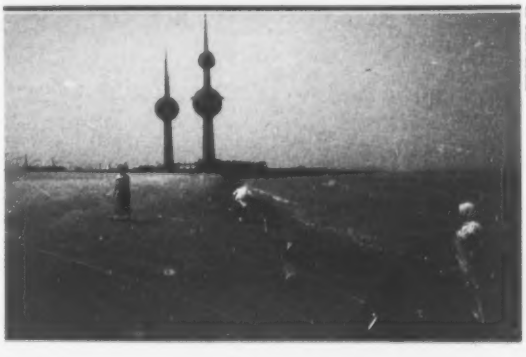
The emir has promised an election for the National Assembly in October. To stay popular with the only people who can vote, the government is throwing around tens of billions, yet the business economy languishes. Why? In effect, the ruling Al-Sabah family is trading economic growth for popularity. This is a continuation of its centuries-old struggle with the country's merchant families.

Forgiving $7 billion of personal debt and granting 25% raises for civil servants, who are most of the work force, creates goodwill for the Al-Sabahs. So does the expulsion of Palestinians and Jordanians, many perceived to have been traitorous.

But the expulsion cuts the population in half, to around 1.2 million. So demand is down. "Competition is cutthroat, and our prices are low," moans Mohsen Rifaat of Kharafi Industries. Experts foresee a permanent one-third reduction in commerce.

The salary increases are double-edged, too: Wages the merchants must pay to bid in the shrunken labor pool also go up. The merchants are often landlords as well: Real estate values are down 40%. Visitors speak of rows and rows of empty apartment buildings—200,000 vacant apartments, by one count.

Thus, while the middle class may be happy, merchants and capitalists are not. "Any economic policy the government has now has political roots," complains Abdul Aziz Al-Sultan, chairman of Gulf Bank, Kuwait's second largest. "They [the Al-Sabahs] are trying to consolidate their power." –R.L.S.



Kuwait a year later
Empty apartments, empty shops: election time.

Abdul Latif Jameel

Net worth: about $2 billion

Now in his 70s, Jameel has been sole agent for Toyota in the kingdom since 1955. With sales of 87,000 cars in 1991, Toyota grabbed 40% of the Saudi car market. Jameel also has interests in British-based car distributors Hartwell and Trimoco, and in U.S. real estate coast to coast. The property is held through his New York-based Jaymont Properties.

Suliman Olayan

Net worth: over $1 billion

This year Olayan, 74, will oversee openings of the first Saudi franchises for Hertz and Burger King, adding to his licenses from Colgate Palmolive, Kimberly Clark and other U.S. consumer goods companies. Olayan Group will soon complete a Coca-Cola bottling plant on Saudi soil, challenging dominant Pepsi. Olayan's companies play the Saudi stock market, as well; it has doubled in a year.

Al-Rajhi family

Net worth: $4-billion-plus

The Al-Rajhi family is headed by brothers Sulaiman, Saleh, Abdullah and Mohamed. As offshore Saudi money has flooded back to play the local stock market, shares in the family's Al-Rajhi Banking & Investment Corp.—the major Islamic financial institution in devout Saudi Arabia—jumped enough to lift the value of the Al-Rajhis 50%, from $1.8 billion to $3.2 billion. The Koran forbids interest, and the Al-Rajhis' bank earns an astounding 6% return on assets. Billions of rivals are still stuffed in mattresses or shepherds' bedrolls outside the banking system, perhaps as much as one fifth of the Saudi $12 billion money supply. Plenty of potential for the Al-Rajhis' deposit base to grow.

Bin Mahfouz family

Net worth: $2 billion

Something is very wrong at National Commercial Bank, Saudi Arabia's biggest (assets $23 billion). It has not released a balance sheet since 1989; its managers are squabbling with government auditors over numerous bad loans to many of the kingdom's roughly 5,000 royal princes.

Khalid Bin Salim Bin Mahfouz, 45, owns an estimated 80% of the bank, plus investments in Europe and the U.S. Bin Mahfouz is said to be in a power struggle with the bank's other cofounding family, the Kaakis. The Bin Mahfouzes were big holders in BCCI but sold out before the scandal broke. Their name has come up in documents, but they have not been charged with any wrongdoing.

Salim Ahmed Bin Mahfouz
Sovereign debt can't default, eh?

Suliman Saleh Olayan
As American as Coca-Cola?

Juffali family

Net worth: about $1 billion

The Juffalis' construction company, E.A. Juffali & Brothers, installed the first air-conditioning in the king's palace 40 years ago. Infrastructure spending is down, but today the company gets high-level military construction contracts, a strong business. The Juffali brothers—Ahmad and Ali—also run several consumer goods franchises, including IBM, Mercedes-Benz and Michelin, in the kingdom. Their foreign investments are managed from New York, through Enpro International.

Saleh Abdullah Kamel

Net worth: $1.9 billion
Kamel, 51, runs a conglomerate named Dallah Albaraka, with interests in banking, trade and construction.

Outside Saudi Arabia, Kamel's Islamic banks provide venture capital (total assets, $2.5 billion) for underdeveloped Muslim countries. They include Central Asia's Muslim republics in the former Soviet Union. Kamel has opened a branch of Albaraka Bank in Alma-Ata, Kazakhstan. A second branch is slated for Moscow. Moscow? Kamel feels the city will continue to be the Central Asian Muslim region's trade and financial capital for a long time to come. Kamel recently took a part of United Press International.

Turkey

By Roula Khaiaf and R. Lee Sullivan

Turkey's businessmen are turning their attention to the former Soviet republics. Turkey and the Central Asian republics share a common history and the Turkic language group—any Turk who spends a couple of weeks in a Central Asian country can quickly pick up the local dialect. Unlike people from most other nations interested in doing business in Central Asia, Turks are actually willing to settle there.

Few Turkish business people will be able to take advantage of Central Asian opportunities right away. The Turkish economy is suffering from inflation, recession and too many state-owned companies that need privatizing. But, for those with capital and contacts, the former Soviet republics promise to become a Turkish delight.

Nejat Ferit Eczacibasi

Net worth: $1 billion
Since 1948 Eczacibasi, 79, has been producing drugs under license from Western pharmaceutcial companies like U'pjohn and Rhône-Poulenc; his Eczacibasi Holdings (sales, $1.1 billion) now claims 16% of the Turkish pharmaceutical market. But Eczacibasi's licensors don't let him sell his licensed drugs in the lucrative European and U.S. markets. So since the mid 1980s Eczacibasi has been exporting them to the Soviet Union.

Eczacibasi has big plans for the former U.S.S.R. republics. In August he will open, in Moscow, a pharmacy bearing the family name; it will sell Eczacibasi-produced generic drugs, as well as proprietary products under license. Eczacibasi is franchising its drugstores in other republics and hopes to build a chain of Eczacibasi drugstores all over the former empire. Supplies will at first come directly from Turkey. But Eczacibasi is also starting small-scale production of antibiotics, painkillers and cough drops in Russia. Says Eczacibasi, sitting in his mansion tucked away on a hill overlooking the Bosporus: "Can you imagine this country [the former Soviet Union] going up to space before the U.S.—and asking *us* to set up a pharmaceutical chain?"

As a young man, Eczacibasi wanted to be a doctor, but his father ordered him to join the family business, a little pharmacy in the Aegean port city of Izmir. After earning an advanced degree in biochemistry in Germany, he returned to Turkey for his military service. He was posted at an Ankara hospital on the eve of World War II. Insulin was in short supply, but Eczacibasi knew that the drug was extracted from animal pancreases. He collected sheep pancreases from slaughterhouses around the city and began to produce insulin.

The insulin put some money in the young man's pockets and made him famous. In 1941 he decided to leave his father's pharmacy and strike out on his own. "I was one of six sons, and my father wanted to divide up one pharmacy and one lab among his six children, which meant in my case one-sixth," explains Eczacibasi. "You can pick your chances, but you can't pick your brothers."

In 1948 the Turkish Industrial Development Bank opened and Eczacibasi borrowed $810,000, a lot of money in Turkey at the time. He used the capital to land his first license to make antibiotics from the Parke-Davis company, now part of Warner-Lambert. He went on to win 25 other pharmaceutical licenses.

Over the years Eczacibasi, like other Turkish billionaires, diversified—first into ceramics (the ceramics division now makes bathroom sinks and bathtubs and is the backbone of a $200-million-sales building materials business) and later into such far-flung industries as canned foods and gypsum blocks. When the Turkish government opened its economy in 1980, Eczacibasi and his oldest son Bulent, now 43 and in charge of day-to-day operations, sold off the extraneous operations and concentrated on pharmaceuticals, building materials and paper products. (Eczacibasi's younger son, Faruk, 38, runs the company's small computer division.)

His father's little pharmacy still stands on an Izmir street corner, and is run by one of the younger Eczacibasi brothers. Another brother works for (but owns none of) Eczacibasi Holdings.

Vehbi M. Koc

Net worth: over $3 billion
Founder and head of Koc Group (unconsolidated sales, $9.4 billion), and by far Turkey's richest man, Vehbi Koc wants to increase exports from 6% of sales to 20% within a few years. His companies make everything from textiles to appliances to cars. He's

interested in doing business in Central Asia, but also in the U.S. and Europe.

The Turkish government is pushing to privatize state-run industries and encourage capital investment, including foreign investment. Competition will likely increase in Koc's protected local markets. To get in shape, Koc Group has hired the London-based consulting arm of Arthur Andersen to modernize its information technology.

Vehbi Koc, now 91, reportedly walks 3 miles a day. Son Rahmi, 60, is chairman.

Sabanci brothers

Net worth: at least $1.2 billion

Led by eldest brother Sakip Sabanci, 59, the five brothers run Haci Omer Sabanci Holding A.S. Started in 1925 by their father, it is Turkey's second largest conglomerate (after Koc Group, *see above*), and is into everything from textiles to cars to banking. Like the Ezacibasis and Kocs, the Sabancis want to expand into Central Asia. But Sakip has a more pressing problem: The third generation of Sabancis has around 20 members who want to run the group. So Sakip has set up an internal competition to see which family members have the most commercial talent.

Several of the Sabancis' operating companies are publicly traded, but Sakip Sabanci warns that the Istanbul market is too erratic. "Except to support the shares of my companies, I don't invest in Turkish stocks."

Lebanon

By R. Lee Sullivan

Safra brothers

Net worth: $1.1 billion

Edmond Safra, 60, values his reputation and dislikes American Express. Passionately. Two years ago Safra forced a humiliating apology (and an $8 million cash settlement) from American Express for libeling him.

Safra's principal assets are his 29% stake in Republic National Bank of New York (assets, $29 billion) and his direct 21% ownership of Geneva's Safra Republic Holdings. (Republic owns another 49%.) Younger brothers Joseph, 53, and Moise, 58, own First International Bank of Israel and São Paulo's Banco Safra. The brothers are now trying to get a cellular telephone concession in Brazil, in partnership with Atlanta-based Bell South Corp.

Edmond Safra

Note to James Robinson: His name means everything.

Rafik B. Hariri

Net worth: over $2.5 billion

Now 48, Hariri built Paris-based Oger International, an engineering and consulting group. He also owns construction company Saudi Oger in Riyadh. An entrepreneur with strong connections in Saudi Arabia, Hariri is also an active philanthropist in Lebanon; he is often spoken of as a possible Lebanese prime minister.

Citizen of the World

The Aga Khan IV

Net worth: well over $1 billion

The spiritual leader of 15 million Ismaili Muslims. His fortune is in the form of luxury hotels; 700 racehorses; an estate outside Paris; 7.5% of his friend Gianni Agnelli's holding company; a piece of Italy-based Meridiana, which wants to become a major European airline.

And he is the sole stockholder of Geneva-based Aga Khan Fund for Economic Development (reported assets, $450 million), which backs small enterprises in developing nations. "Development is ultimately about people," the Harvard-educated (class of '59) Aga Khan has explained, "about enabling them to participate fully in the process and to make informed choices and decisions on their future." Separately, the Aga Khan Foundation funds health, education and rural development projects in the Third World.

Construction magnate and philanthropist Rafik B. Hariri

Smart enough to be prime minister. But is he crazy enough?

Ranking foreign billionaire fortunes

Name/country/*industry*	Page
Over $10 billion	
Mori, Taikichiro and family/Japan/*property development*	164
Tsutsumi, Yoshiaki/Japan/*land, railroads, resorts*	164
Over $5 billion	
Albrecht brothers/Germany/*supermarkets*	203
Haniel family/Germany/*trading, wholesaling*	208
Haub, Erivan/Germany/*supermarkets*	202
Irving, Kenneth Colin and sons/Canada/*oil distrib, paper, land*	160
Rausing, Hans and Gad/Sweden/*liquids packaging*	198
Sainsbury, David and family/U.K./*supermarkets*	193
Shin Kyuk-ho (a.k.a. Shigemitsu, Takeo)/Korea/*candy, real estate*	181
Thomson, Kenneth Roy/Canada/*publishing, retailing*	158
Over $2 billion	
Agnelli family/Italy/*autos, etc*	192
Al-Rajhi family/Saudi Arabia/*money changing/banking*	218
Azcarraga Milmo, Emilio/Mexico/*TV, bullrings*	150
Beisheim, Otto/Germany/*retailing, TV*	206
Benetton family/Italy/*apparel retailing*	192
Berlusconi, Silvio/Italy/*media, retailing*	192
Bettencourt, Liliane/France/*cosmetics*	190
Bin Mahfouz family/Saudi Arabia/*banking, investments*	218
Birla family/India/*cement, aluminum, autos, chemicals*	186
Brenninkmeyer family/Netherlands/*retailing*	198
Bronfman, Charles/Canada/*liquor, investments*	158
Chung Ju-yung and family/Korea/*heavy industry*	181
Escobar Gaviria, Pablo/Colombia/*cocaine*	156
Fentener Van Vlissingen family/Netherlands/*oil, gas, retail, invest*	198
Ferrero family/Italy/*candy*	192
Finck, August and Wilhelm von/Germany/*banking, real estate*	210
Flick, Friedrich Karl Jr./Germany/*heavy industry*	208
Garza-Sada family/Mexico/*beer, steel, banking*	151
Grundig, Chantal/Germany/*electronics*	208
Haindl family/Germany/*paper*	206
Hariri, Rafik B./Lebanon/*construction, investments*	221
Hayashibara family/Japan/*pharmaceuticals, real estate*	169
Henkel family/Germany/*consumer products, chemicals*	206
Herz family/Germany/*coffee cigarettes*	203
Hoffmann family/Switzerland/*pharmaceuticals*	198
Hsu family/Taiwan/*textiles, cement, department stores*	180
Ito, Masatoshi/Japan/*retailing*	172
Itoyama, Eitaro/Japan/*real estate*	169
Iwasaki, Yohachiro and family/Japan/*logging, property, resorts, etc.*	169
Jameel, Abdul Latif/Saudi Arabia/*auto distribution, real estate*	218
Kadoorie family/Hong Kong/*utilities, hotels*	177
Kamprad, Ingvar/Sweden/*furniture retailing*	198
Kanjanapas family/Thailand/*real estate*	184
Kipp, Karl Heinz/Germany/*variety stores, real estate*	210
Koc, Vehbi/Turkey/*conglomerate*	220
Kwok family/Hong Kong/*real estate*	177
Lee Shau-kee/Hong Kong/*real estate*	176
Li Ka-shing/Hong Kong/*real estate, ports, industry*	176
Liem Sioe Liong/Indonesia/*finance, trade, manufacturing*	184
Mann family/Germany/*retailing*	210
Merck family/Germany/*pharmaceuticals, chemicals*	206
Mohn, Reinhard/Germany/*publishing*	208
Mulliez family/France/*hypermarkets*	190
Murata, Junichi/Japan/*fax, industrial machinery*	169
Nakajima, Kenkichi/Japan/*pachinko machines*	173
Ochoa family/Colombia/*cocaine*	156
Oetker family/Germany/*food, brewing*	203
Ohga, Tetsuo/Japan/*publishing*	172
Oppenheim family, von/Germany/*banking*	208
Otani family/Japan/*hotels*	169
Otsuka family/Japan/*pharmaceuticals*	173
Otto family/Germany/*mail order, real estate*	206
Packer, Kerry/Australia/*media, investments*	186
Pao family/Hong Kong/*shipping, property development*	176
Perez Companc family/Argentina/*constr, shipping, telecom*	152
Quandt, Johanna, Suzanne and Stefan/Germany/*autos, industry*	202
Schickedanz, Grete and family/Germany/*mail order*	203
Schmidt-Ruthenbeck/Germany/*retailing*	208
Schörghuber, Josef/Germany/*construction, real estate, beer*	210
Seydoux/Schlumberger family/France/*textiles, media, oil services*	187
Shino, Rinji/Japan/*real estate, leisure*	169
Siemens family, von/Germany/*electrical machinery*	206
Slim Helu, Carlos/Mexico/*conglomerator*	151
Swire brothers/Hong Kong/*trading, airline, real estate*	177
Takei, Yasuo and family/Japan/*moneylending*	169

Name/country/industry	Page
Tsai family/Taiwan/*insurance, construction*	180
Voith family/Germany/*manufacturing*	210
Watanabe, Kitaro/Japan/*real estate*	168
Weston, Garry and Galen/Canada/*foods, supermarkets*	160
Yamaguchi, Hisakichi/Japan/*cans*	172
Yoshimoto family/Japan/*real estate*	168
Zambrano, Lorenzo and Marcelo/Mexico/*cement*	151
Over $1 billion	
Aga Khan IV/*religion, investments*	221
Almeida brothers/Brazil/*construction*	158
Andrade brothers/Brazil/*construction*	158
Angelini, Anacleto/Chile/*food, forestry, retailing*	152
Arango brothers/Mexico/*discount retail*	151
Bauer, Heinz/Germany/*publishing*	202
Boehringer family/Germany/*pharmaceuticals*	212
Bosch family/Germany/*auto parts, consumer products*	206
Botín family/Spain/*banking*	196
Bouriez family/France/*hypermarkets, luxury goods*	190
Branson, Richard/U.K./*airline, travel, retailing*	193
Brost family/Germany/*publishing*	212
Butsujima, Kunio/Japan/*pachinko machines*	173
Camargo, Sebastião/Brazil/*construction, manufacturing*	158
Chang Yung-fa/Taiwan/*shipping, trucking, manufacturing*	180
Chearavanont family/Thailand/*agribusiness*	184
Cheng Yu-tung/Hong Kong/*real estate, tourism*	176
Cisneros brothers/Venezuela/*consumer products, broadcasting*	156
Conle family/Germany/*charter airline*	212
Dassault family/France/*aircraft, electronics*	187
David-Weill, Michel and family/France/*investment banking*	187
Eaton family/Canada/*department stores, real estate*	160
Eczacibasi, Nejat Ferik/Turkey/*pharmaceuticals*	220
Engelhorn family/Germany/*pharmaceuticals*	212
Ermírio de Moraes family/Brazil/*mining, industry*	158
Ferruzzi family/Italy/*agro-industry, chemicals, food*	190
Freudenberg family/Germany/*chemicals, diversified products*	210
Funke family/Germany/*publishing*	212
Furukawa, Tamesaburo/Japan/*real estate*	169
Gerling, Rolf/Germany/*insurance*	210
Goulandris family/Greece/*shipping, real estate, etc.*	196
Grosvenor, Gerald Cavendish/U.K./*real estate*	193
Haefner, Walter/Switzerland/*car sales, software*	198
Harp Helu, Alfredo/Mexico/*brokerage, banking*	152
Hattori family/Japan/*watches, electronics*	172
Hernandez, Roberto/Mexico/*brokerage, banking*	151
Ho, Stanley/Macau/*casinos, tourism*	177
Isono family/Japan/*importer, wholesaler, real estate*	169
Jacobs, Klaus/Switzerland/*employment firms, chocolate*	198
Jinnai, Ryoichi and family/Japan/*moneylending*	169
Juffali family/Saudi Arabia/*conglomerate*	218
Kamel, Saleh A./Saudi Arabia/*banking, trading*	109
Kinoshita family/Japan/*moneylending*	169
Kirch, Leo/Germany/*movies, TV programs*	208

Name/country/industry	Page
Koo family/Taiwan/*financial services, cement, chemicals*	180
Koplowitz sisters/Spain/*construction*	196
Kristiansen family/Denmark/*LEGO*	198
Kuok, Robert and family/Malaysia/*sugar, trading, real estate*	184
Latsis, John/Greece/*shipping*	196
Lee family/Singapore/*banking, rubber*	184
Lee family/Korea/*conglomerate*	181
Leibbrand, Willi/Germany/*supermarkets*	210
Liebherr, Hans/Switzerland/*construction equipment*	197
Ligresti, Salvatore/Italy/*real estate, construction, insurance*	192
Luksic family/Chile/*mining, beer, railroads*	152
March family/Spain/*construction, investments, banking*	196
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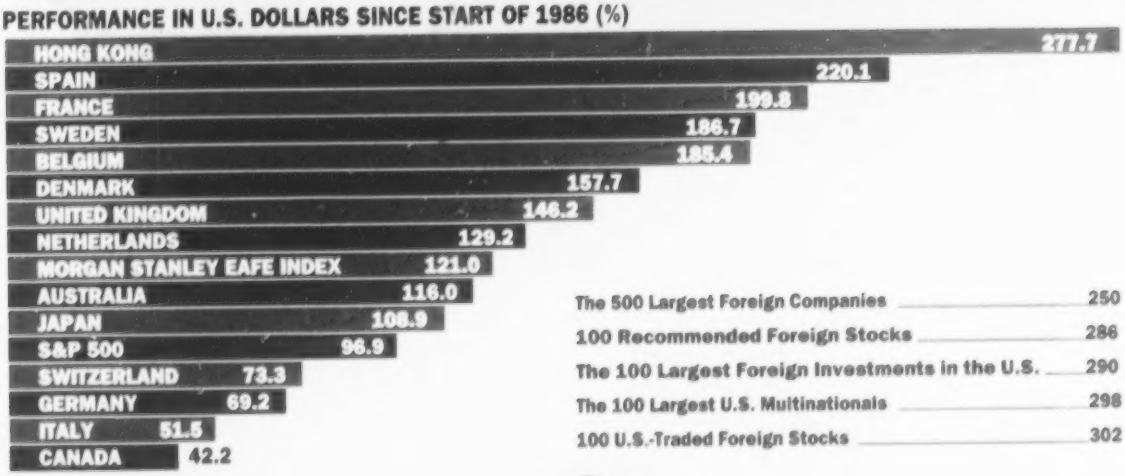
The Forbes Foreign Rankings

PERFORMANCE IN U.S. DOLLARS SINCE START OF 1986 (%)



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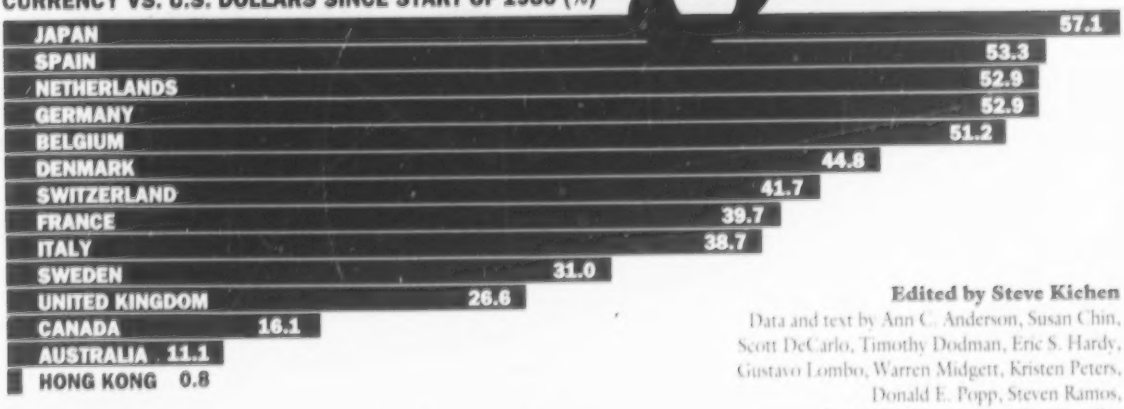

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Last year was difficult for many of the Forbes International 500 companies. Next year might not be much better.

By Eric S. Hardy

JAPAN HAS MORE COMPANIES (195) among the Forbes International 500 list of the largest foreign companies than any other country. But it is the developing nations, mostly in the Far East, that are growing the fastest and putting the most new companies on the list. Despite rising wages and inflation, South Korea's economy expanded by 8% during 1991.

This year there are ten Korean companies counted amongst the International 500, up from six last year. The largest is $13 billion (total revenues) Hyundai, the trading company whose founder, Chung Ju-yung, is currently running for his country's presidency.

Another rapidly growing (though somewhat shaky) country is Thailand, with 8% gross domestic product growth last year. No Thai company is large enough yet for the International 500, however, which this year requires minimum sales of $3.4 billion.

Meanwhile, communist China is growing so fast that its economy is in danger of overheating, according to Paul Melton, editor of the *Outside Analyst*, an Amsterdam-based international investment survey. But the economy is starting from such a low base and has so far to go that it will be several years before any Chinese company makes it to these listings.

Last year was a difficult one for many of the Forbes International 500 companies, as the world economy slipped into a cyclical downturn. Following a 2% rise in world output in 1990, the global economy declined about 0.3% last year. Hardest hit were the Eastern European nations and the remnants of the former Soviet Union. Most of these countries suffered through economic declines of more than 10%.

More important, given their weight in the world, three of the seven largest countries based on gross domestic product—the U.S., Canada and the U.K.—contracted slightly last year. The other four (Japan, France, Germany and Italy) expanded, but not by much. Of the group, Japan was strongest, with a 4.5% gain in its gross domestic product—the lowest rate for Japan since 1987.

At least one indicator shows that wealth is getting a bit less concentrated. The seven largest economies produced 63% of the world's goods and services last year, down from

25 largest public foreign companies

Company/business	Country	Revenue ($mil)	Employees (thou)
C Itoh & Co/trading	Japan	154,555	7.1
Sumitomo/trading	Japan	149,530	20.7
Marubeni/trading	Japan	140,457	9.9
Mitsubishi/trading	Japan	135,882	33.5
Mitsui & Co/trading	Japan	133,632	11.7
Royal Dutch/Shell Group/energy	Netherlands	102,801	133.0
Nissho Iwai/trading	Japan	84,874	7.5
Toyota Motor/automobiles	Japan	71,911	102.4
Hitachi[2]/elec & electron	Japan	58,234	324.3
British Petroleum/energy	UK	57,682	118.1
Daimler-Benz Group/automobiles	Germany	57,251	381.5
Matsushita Electric Indl[2]/appliances	Japan	55,867	242.2
Tomen/trading	Japan	52,788[1]	3.3[2]
Nissan Motor/automobiles	Japan	48,128	143.9
Nippon Tel & Tel/telecomm	Japan	47,994	264.9
Credit Lyonnais Group/banking	France	46,822	70.6
Fiat Group/automobiles	Italy	46,612	288.0
Nichimen/trading	Japan	46,588[1]	2.9[2]
Kanematsu/trading	Japan	46,087	3.8
Volkswagen Group/automobiles	Germany	45,986	260.1
Siemens Group/elec & electron	Germany	44,857	402.0
Unilever/food, household	Netherlands	40,863	292.0
Elf Aquitaine Group/energy	France	35,625	94.0
Toshiba/elec & electron	Japan	35,395	170.0
Nestle/food, household	Switzerland	35,216	200.1

[1]Figures are latest available. [2]Not fully consolidated. [3]U.S. GAAP.

25 largest nonpublic foreign companies

Company/business	Country	Revenue ($mil)	Employees (thou)
Chinese Petroleum/energy	China	50,103	22.1
Samsung Group/multi-industry	Korea	43,896	183.4
ENI-Ente Naz Idrocarburi/energy	Italy	41,014	130.0
Electricite de France/utilities	France	34,721	120.0
Sumitomo Life Insurance/insurance	Japan	32,170[1]	10.0
Renault Group/automobiles	France	29,404	147.2
Tengelmann Group/retailing	Germany	29,370	19[illegible].3
Meiji Mutual Life Ins/insurance	Japan	25,846[1]	8.4
Daewoo Group/multi-industry	Korea	25,475	81.6
Petroleos de Venezuela/energy	Venezuela	22,300	54.9
France Telecom/telecomm	France	20,382	156.1
Robert Bosch Group/automobiles	Germany	20,247	181.5
INI Group/multi-industry	Spain	19,325	142.3
Pemex-Petroleos Mexicanos/energy	Mexico	19,142	154.3
Groupe Usinor Sacilor/metals-steel	France	17,210	85.0
Idemitsu Kosan[2]/energy	Japan	14,631[1]	5.2
Neste Group/energy	Finland	13,112	13.4
Statoil Group/energy	Norway	12,077	13.9
Bank of China/banking	China	10,583	101.8
Franz Haniel & Cie/trading	Germany	10,341	32.5
Air France Group/airlines	France	10,209	55.0
Koc Group/multi-industry	Turkey	9,707	38.6
Bertelsmann/media	Germany	9,120	45.1
Krupp Group/metals-steel	Germany	9,119	53.1
Vendex Intl Group/retailing	Netherlands	8,796	87.1

The Foreign Super Fifty

Rank	Company	Business	Country	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($mil)	Employees (thou)
1	Royal Dutch/Shell Group	energy	Netherlands	102,801	4,247	105,582	77,898[4]	133.0
2	Sumitomo Bank Ltd	banking	Japan	32,535	877	407,907[1]	37,156	16.7[2]
3	Nippon Telegraph & Telephone	telecomm	Japan	47,994	1,432	86,070	77,603	264.9
4	Toyota Motor Corp	automobiles	Japan	71,911	3,145	65,178	44,018	102.4
5	Sanwa Bank Ltd	banking	Japan	32,277	802	401,465[1]	30,438	14.2[2]
6	Fuji Bank Ltd	banking	Japan	30,843	693	418,956	34,025	15.8[2]
7	Dai-Ichi Kangyo Bank	banking	Japan	31,773	626	426,858[1]	34,712	18.7[2]
8	Matsushita Electric Industrial[3]	appliances	Japan	55,867	996	67,716	22,648	242.2
9	Deutsche Bank Group	banking	Germany	25,121	834	295,458	20,172	71.4
9	Hitachi Ltd[3]	elec & electron	Japan	58,234	957	66,501	20,661	324.3
9	Sakura Bank	banking	Japan	30,430	606	420,348	29,076	22.4
12	Daimler-Benz Group	automobiles	Germany	57,251	1,128	49,941	23,514	381.5
13	Mitsubishi Bank Ltd[3]	banking	Japan	28,271	559	379,329[1]	39,879	15.1[2]
14	Siemens Group	elec & electron	Germany	44,857	1,135	41,765	23,152	402.0
15	British Petroleum Co	energy	UK	57,682	725	59,469	26,987	118.1
16	Elf Aquitaine Group	energy	France	35,625	1,737	42,318[1]	18,896	94.0
17	Tokyo Electric Power Co[2]	utilities	Japan	34,495	565	78,638[1]	29,276	40.7
18	Unilever	food, household	Netherlands	40,863	2,027	25,409	29,851[5]	292.0
19	British Telecommunications[3]	telecomm	UK	23,135	3,258	35,500	40,501	219.0
20	Nestle	food, household	Switzerland	35,216	1,722	28,860	24,686	200.1
21	Industrial Bank of Japan	banking	Japan	24,197	440	302,418	34,079	5.2[2]
22	Alcatel Alsthom	elec & electron	France	28,358	1,095	44,614	14,782	205.5
22	Nissan Motor Co Ltd	automobiles	Japan	48,128	760	53,097	12,437	143.9
24	Fiat Group	automobiles	Italy	46,612	898	69,128	9,356	288.0
25	Union Bank of Switzerland	banking	Switzerland	14,498	848	183,911	12,298	27.7
26	Suez Group	banking	France	33,208	680	154,929	8,671	79.0
27	British Gas Plc[3]	utilities	UK	18,552	2,167	34,860	20,522	84.5
28	Allianz AG Holding	insurance	Germany	24,242[1]	416[1]	98,757[1]	27,500	44.3
29	Sony Corp	appliances	Japan	28,646	900	36,869	12,626	119.0
30	Mitsubishi Corp	trading	Japan	135,882	395	77,044	12,498	33.5
31	B. A. T Industries	bev & tobacco	UK	15,286	729	51,762	21,917	105.9
32	Long-Term Credit Bank of Japan	banking	Japan	16,589	472	214,234[1]	14,622	3.7[2]
33	Tokai Bank Ltd	banking	Japan	18,105	383	248,986[1]	14,605	12.1[2]
34	Bayer Group Worldwide	chemicals	Germany	25,550	1,099	25,013	11,869	166.3
34	Internationale Nederlanden Group	insurance	Netherlands	24,657	842	174,132	6,709	48.7
36	Societe Generale Group	banking	France	26,542	597	234,748	7,556	45.8
37	BCE Inc	telecomm	Canada	17,355	1,160	39,547	11,364	124.0
38	Bank of Tokyo Ltd	banking	Japan	19,914	303	222,504[1]	17,339	17.5
39	VEBA Group	utilities	Germany	34,468	665	31,807	11,525	114.5
40	Imperial Chemical Industries	chemicals	UK	22,096	959	20,606	17,499	128.6
41	UAP-Union des Assurances de Paris	insurance	France	18,665	667	107,817	8,349	40.5
42	Mitsubishi Heavy Industries	machinery & eng	Japan	20,922	793	25,702[1]	15,604	58.3
42	Volkswagen Group	automobiles	Germany	45,986	665	46,240	8,240	260.1
44	Lloyds Bank Group	banking	UK	15,337	632	95,978	10,025	67.9
45	STET-Soc Finanziaria Telefonica	telecomm	Italy	18,510	809	90,315	7,345	129.5
46	Nippon Steel Corp	metals-steel	Japan	22,714[1]	644[1]	31,270[1]	16,354	54.1[2]
47	Kansai Electric Power[2]	utilities	Japan	17,548	547	41,163[1]	18,521	24.8
48	Banco Central Hispanoamericano	banking	Spain	24,890	737	95,817	6,089	38.2
49	Total Group	energy	France	25,345	1,030	22,017	9,184	46.0
50	Grand Metropolitan	multi-industry	UK	14,513	1,192	16,100	19,354	105.0

[1]Figures are latest available. [2]Not fully consolidated. [3]U.S. GAAP. [4]Combined market value for Royal Dutch Petroleum and Shell Transport & Trading. [5]Combined market value for Unilever NV and Unilever Plc.

Large subsidiaries of foreign companies

Company/business	Parent company	Country	Percent owned	Revenue ($mil)	Market value ($)	EPS ($)	P/E	Yield ($)
SIP/telecomm	STET	Italy	59	15,680	6,296	0.07	16.7	5.0
Showa Shell Sekiyu/energy	Royal Dutch/Shell Group	Japan	50	12,323	3,286	0.72	15.8	0.6
▪**AEG**/elec & electron	Daimler-Benz Group	Germany	80	8,436	2,413	NA	NA	1.9
Northern Telecom/elec & electron	BCE	Canada	53	8,183	9,641	2.03	18.8	0.8
▪**Eridania**/food, household	Ferruzzi/Montedison Group	Italy	53	8,138	1,391	0.55	10.8	3.4
Loblaw Cos/retailing	George Weston	Canada	71	7,448	1,144	1.02	15.2	1.4
Poliet/bldg materials	Paribas Group	France	81	6,328	2,690	6.55	16.0	2.5
▪**Victor Co of Japan**/appliances	Matsushita Electric Indl	Japan	52	6,292	1,947	0.06	124.9	1.0
Hitachi Sales/retailing	Hitachi	Japan	59	5,818[1]	690	0.23	17.6	1.6
Nissei Sangyo/trading	Hitachi	Japan	57	4,794[1]	866	0.52	17.6	1.0
Shell Canada/energy	Royal Dutch/Shell Group	Canada	78	4,178	4,019	0.10	91.8	2.1
Spie Batignolles/construction	Schneider	France	60	4,030	323	-33.50	-1.8	0.0
Canon Sales/services	Canon	Japan	50	3,920	1,535	1.28	13.7	0.5
Hochtief/construction	RWE Group	Germany	56	3,878	4,037	11.15	NM	1.4
Hitachi Chemical/chemicals	Hitachi	Japan	56	3,716[1]	1,080	0.22	21.6	1.0
Merlin Gerin/elec & electron	Schneider	France	61	3,649	2,440	5.41	19.8	2.6
Matsushita Communication/elec & electron	Matsushita Electric Indl	Japan	56	3,610[1]	3,116	0.52	28.7	0.5
Sanofi/personal care	Elf Aquitaine Group	France	62	3,475	3,792	9.18	21.4	3.1
▪**Hitachi Metals**/metals-steel	Hitachi	Japan	53	3,405[1]	2,137	0.30	18.4	1.4

▪Non-sponsored ADR. [1]Figures are latest available. NA: Not available. NM: Not meaningful.

66% in 1990.

Will next year be better? Perhaps, but not much. Powerhouses Japan and Germany are having problems. A recovery is under way in the U.S., but it's not very robust; some economists are even beginning to worry that the economy may turn down again—for a third time—after the presidential elections.

The largest foreign company for the second consecutive year is Japan's C. Itoh & Co., with $155 billion in sales. Remember, however, that trading companies' revenues represent the total value of all the goods they sell. These goods are produced by other companies, so in effect there's a lot of double counting in trading companies' figures. Thus the largest U.S. based corporation, General Motors, has revenues of $123 billion, but employs some 756,000 people—more than a hundred times C. Itoh's payroll of 7,100.

A few technical notes: Sales and net income figures for all companies in our tables are converted to U.S. dollars using the local currency's average exchange rate during the company's fiscal year. Assets are converted at the exchange rate prevailing at the end of the fiscal year. Market values, stock prices and 1992 earnings estimates are converted using exchange rates in effect on May 29, 1992. For this report, any fiscal year ending after May 1991 is designated as fiscal 1991, even if it ended in the months of January through May of calendar 1992. For companies that have yet to fully report 1991 results, we show the prior year's results for all items except earnings per share. If a fiscal 1991 IBES earnings estimate was available, we listed it in the table and marked it with an "E."

To illustrate: Marubeni and Mitsubishi Oil are both Japanese companies with fiscal years ending in March. But Mitsubishi Oil's March 1992 results have not been released. Thus, the 27 cents earnings per share listed for Mitsubishi Oil's 1991 fiscal year is in fact an estimate, and marked "E," while the 6 cents a share in earnings for Marubeni is the actual amount reported for the fiscal year ending last March.

This report on international business reflects the contributions of many organizations and individuals. FORBES' statisticians gathered data by questionnaires and from corporate reports. Morgan Stanley Capital International Perspective, based in Geneva, also provided basic raw data. Earnings estimates come from the New York-based Institutional Brokers Estimate System. IBES tabulates estimates from 2,700 analysts on over 5,400 foreign companies. We used Randall-Helms DataScreen II software to access both the Morgan Stanley and IBES databases.

All of the Forbes International 500 companies (starting on page 250) are publicly owned and are ranked by gross revenues. The Foreign Super Fifty (page 243) is a composite assessment of the 50 most powerful investor-owned corporations outside the U.S. based on four measures—sales, profits, assets and market value. Above is a list of some of the largest foreign subsidiaries of international companies. On page 286 we list 100 recommended foreign stocks that have long-term investment potential. The list of the 100 largest U.S. multinational corporations starts on page 298, and our report on 100 of the best-known U.S.-traded foreign stocks begins on page 302. ▬

P/E 24 • Yield 4% • Market value $148 billion • Year-to-date price change 3%

Australia has been hard hit by falling commodity prices and the slowdown in Japan and the U.S., which together buy about 40% of its exports. Australia's positive trade balance is narrowing and unemployment, at 10%, is high by historical standards. Economic growth has almost stalled.

The stock market, though up 32% (in U.S. dollars) from its low at the start of 1991, is up by just 11% the past 12 months. But lower interest rates and modest inflation, 1.5% annual rate, have resulted in a bond market rally. Today 10-year government bonds yield about 9%, down from 13% in 1990, while 13-week T bills have come down from 14% in 1990 to 6.6%.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
128	•Broken Hill Proprietary/energy	12,287	946	17,276	17,122	10.93	0.54E	0.61	2.8	51.0
136	•Coles Myer/retailing	11,704	288	4,296	5,176	9.50	0.53	0.52	3.0	150.9
170	•Westpac Banking Group[3]/banking	9,673	-41	83,508	3,490	2.65	-0.05	0.13	7.0	42.4
173	•ANZ Banking/banking	9,537	207	66,185	3,988	3.22	0.20	0.23	4.7	46.0
187	•Natl Australia Bank[3]/banking	9,175	559	72,710	7,516	6.06	0.53	0.53	5.6	39.9
202	•News Corp[3]/media	8,616	-276	14,466	5,833	16.67	-0.86	0.97	0.5	31.0
207	Commonwealth Bank Group/banking	8,361	694	59,349	4,824	5.82	NA	0.44	0.0	50.7
345	•Foster's Brewing Group/trading	5,362	170	6,991	3,411	1.51	0.08	0.11	1.5	23.2
414	•Pioneer International/bldg materials	4,219	129	3,637	2,153	2.54	0.16	0.15	4.5	10.5
454	•Pacific Dunlop/multi-industry	3,866	188	3,567	3,723	4.13	0.25	0.21	3.9	41.0
455	•CRA/metals-nonfer	3,857	273	6,166	6,587	11.15	0.46	0.55	2.3	18.9
464	•TNT/trucking, RR	3,796	-49	3,364	826	1.46	-0.09	-0.02	1.9	52.0
480	•CSR Group/multi-industry	3,582[1]	254[1]	4,822[1]	2,781	3.42	0.16E	0.21	5.8	20.0

P/E 13 • Yield 5% • Market value $72 billion • Year-to-date price change 1%

Belgians enjoy an investor-friendly government. There are no capital gains taxes, and loosened regulation of brokerage houses has increased competition. Mutual funds (called Sicavs in Belgium) can now receive withholding tax rebates, enhancing dividends.

Germany's slowdown will hamper Belgian exports this year. Jacky Goossens, a financial analyst at Banque Degroof in Brussels, thinks exports will be flat in 1992 after rising 2% in 1991. In addition, the Belgian market is not keeping pace with the rest of Europe. The Morgan Stanley Capital International Perspective index of Belgian stocks gained 9% (in U.S. dollars) during the 12 months through May, against an 11% increase in Morgan Stanley's European stock index.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
124	•Petrofina/energy	12,597	463	11,545	7,558	325.07	19.88	23.13	5.2	17.5
190	Delhaize "Le Lion" Group/retailing	9,078	127	2,873	2,790	272.15	12.48	15.24	1.3	69.5
214	Generale Bank Group/banking	8,247	281	87,144	7,747	190.81	19.53	22.35	6.3	14.9[P]
243	Bank Bruxelles Lambert/banking	7,561	135	66,514	1,854	104.93	8.32	9.59	5.4	15.9
247	Solvay Group/chemicals	7,462	287	5,864	3,282	396.13	34.61	36.50	5.1	45.6
286	GIB Group/retailing	6,337	98	2,302	1,437	43.24	3.12	3.48	2.9	18.3[P]
303	Kredietbank/banking	5,971	214	63,334	2,128	150.89	13.32	16.27	4.9	11.5
315	Arbed/metals-steel	5,804	127	8,397	889	125.95	5.18E	5.96	4.8	52.9
329	Electrabel/utilities	5,564	656	13,419	7,069	138.34	12.83	13.70	8.1	18.3
362	Cockerill Sambre/metals-steel	5,095	105	6,064	1,657	5.20	0.33	0.39	7.0	29.0

• Sponsored ADR. ▪ Non-sponsored ADR. All figures except per-share items are in millions of U.S. dollars. General note: Revenue, net income and 1991 EPS are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. Revenue figures are for group or consolidated operations and exclude excise taxes and duties. For companies with January, February or March fiscal year-ends, 1991 figures are used unless noted. Market value is as of May 29, 1992. [1]Figures are latest available. [2]Not fully consolidated. [3]U.S. GAAP. E: Estimate. NA: Not available. P: Preliminary.

Sources: Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; Forbes.

P/E 49 • Yield 3% • Market value $230 billion • Year-to-date price change –7%

Canada lacks a big service economy, but its vast supply of natural resources is reflected in the fact that half the 1,126 stocks listed on the Toronto exchange are cyclicals. And major electric utilities are owned by the provincial governments.

The Canadian/U.S. free trade relationship is still the world's biggest, but is it fraying? Ontario, the most populous of the ten provinces, has an antibusiness, socialist government. This may have prompted Varity Corp., once a symbol of Canadian manufacturing, to move its headquarters from Toronto to Buffalo last year.

Gerald Gorski, managing editor of *The Institutional Strategist*, warns Americans that the U.S. dollar will probably strengthen relative to the Canadian dollar, thus lowering returns to U.S. investors.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
84	**BCE**/telecomm	17.355	1.160	39.547	11.364	36.58	3.50	3.58	5.9	124.0
129	**Royal Bank of Canada**/banking	12.138	855	111.445	5.990	19.33	2.54	2.28	5.0	50.5
144	**Canadian Imperial Bank**/banking	11.231	706	100.916	4.090	22.14	3.42	2.98	5.0	34.6
177	**George Weston**/retailing	9.400	80	3.313	1.462	31.39	1.58	1.46	1.9	64.2
196	**Canadian Pacific**/multi-industry	8.789	–798	17.818	4.737	14.87	–2.50	0.37	1.8	78.2
200	**Bank of Montreal**/banking	8.690	518	87.919	4.460	36.90	4.03	3.97	4.8	32.1
219	**Bank of Nova Scotia**/banking	8.103	551	74.214	3.470	17.15	2.44	2.27	5.0	29.6
236	**Alcan Aluminium**/metals-nonfer	7.748	–36	10.816	4.809	21.52	–0.30	0.20	2.8	54.0
248	**Noranda**/metals-nonfer	7.384	–116	12.619	2.743	14.66	–0.91	0.05	5.7	51.0
252	**Imperial Oil**/energy	7.271	141	11.717	7.233	37.32	0.73	1.10	4.0	11.9
259	**Imasco**/bev & tobacco	6.946	290	4.649	3.632	30.46	2.23	2.54	3.7	77.5
289	**Toronto-Dominion Bank**/banking	6.275	433	61.364	4.099	13.62	1.31	1.26	4.6	24.5
310	**Univa**/retailing	5.848	50	1.285	566	6.55	0.58	0.51	3.6	14.8
328	**Thomson Corp**/media	5.589	320	8.166	6.978	12.47	0.64	0.63	3.6	44.8
350	**Seagram**/bev & tobacco	5.278	727	11.876	11.094	29.10	7.67	8.78	1.9	16.8
366	**Great-West Lifeco**/insurance	4.956	101	19.658	967	12.26	1.28	1.33	3.4	6.5[2]
400	**Hudson's Bay**/retailing	4.332	72	2.787	1.245	24.94	1.41	1.77	2.7	37.0
418	**Petro-Canada**/energy	4.195	–522	5.222	1.611	7.48	NA	0.17	1.4	9.7
430	**John Labatt**/bev & tobacco	4.106	94	2.725	1.726	22.03	1.43E	1.62	3.0	16.7
436	**Oshawa Group**/retailing	4.027	31	857	519	14.45	0.84	1.04	2.7	16.5
443	**Royal Trustco**/banking	3.981	93	32.537	904	5.93	0.22	0.39	10.4	9.2
473	**National Bank of Canada**/banking	3.628	162	32.467	937	7.38	1.04	0.91	9.0	13.9
481	**Sears Canada**/retailing	3.569	–25	2.317	614	7.28	–0.30	0.12	2.7	44.6

P/E 16 • Yield 3% • Market value $384 billion • Year-to-date price change 12%

During 1991 French corporations spent $8.9 billion—more than any other country—acquiring U.S. assets, reports Securities Data Co., a New Jersey-based research firm. Schneider S.A. purchased Square D for $2.2 billion. Axa Midi Assurances, a French insurance firm, injected $1 billion into Equitable Life as part of the latter company's conversion from mutual to stock ownership. Although the French stock market gained an impressive 12% (in U.S. dollars) in the first five months of 1992, it was recently shaken by the possibility that 1992 earnings won't be as high as originally anticipated. Paul Meyer, of Société Générale Securities in New York, thinks that an economic recovery has begun, but he is not optimistic about the outlook for French stocks over the next few months.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
16	**Credit Lyonnais Group**/banking	46.822	560	306.335	4.115	109.03	15.95	18.61	5.9	70.6
23	•**Elf Aquitaine Group**/energy	35.625	1.737	42.318[1]	18.896	74.54	6.85	6.89	4.9	94.0
28	•**Suez Group**/banking	33.208	680	154.929	8.671	60.91	4.79	6.26	3.7	79.0

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France

P/E 16 • Yield 3% • Market value $384 billion • Year-to-date price change 12%

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
42	•Alcatel Alsthom/elec & electron	28.358	1.095	44.614	14.782	121.45	9.18	10.22	3.1	205.5
42	■Peugeot Groupe/automobiles	28.358	975	23.535	7.394	147.97	19.67	23.89	2.4	159.1
45	BNP Group/banking	28.285	520	275.876	5.201	73.52	7.36	8.55	4.0	58.7
49	Societe Generale Group/banking	26.542	597	234.748	7.596	101.06	7.99	9.76	4.1	45.8
52	•Total Group/energy	25.345	1.030	22.017	9.184	49.69	5.57	5.11	3.9	46.0
59	Generale des Eaux Groupe/services	23.927	463	27.699[1]	9.945	443.91	20.74	25.07	2.6	173.1
69	GAN-Assur Nationales/insurance	20.506	411	120.637	3.851	347.67	37.15	43.58	2.7	49.1
72	Paribas Group/banking	19.848	-33	199.728	6.653	76.28	-0.41	5.97	4.4	26.8
75	UAP-Union des Assurances/insurance	18.665	667	107.817	8.349	99.39	7.95	9.57	3.1	40.5
80	Carrefour Group/retailing	17.724	214	9.446	6.444	503.43	16.66	22.26	1.8	76.2
89	Lyonnaise des Eaux-Dumez/services	15.506	207	22.500	4.957	104.40	4.36	6.01	2.7	122.9
97	•Rhone-Poulenc Group/chemicals	14.856	217	21.871	6.574	115.52	3.82	6.90	3.7	89.1
109	Promodes Group/retailing	13.535	80	5.502	2.370	702.58	24.28	31.21	1.2	36.6
110	Saint-Gobain/misc materials	13.311	445	18.303	7.518	110.70	6.55	8.27	3.6	104.8
114	Pechiney/metals-nonfer	13.187	145	13.828	3.397	67.22	2.88	3.96	5.4	69.4
130	Michelin Group/industrial comp	11.990	-124	14.349	4.284	40.05	-1.15	2.61	0.0	132.8
135	•BSN-Groupe/food, household	11.710	611	13.550	11.961	209.16	10.46	12.39	1.9	59.2
137	Bouygues Group/construction	11.405	113	12.029	2.088	116.08	0.72	8.32	3.6	69.6
148	AGF-Assur Generales/insurance	11.007	477	60.462	5.200	93.45	8.57	9.57	2.7	22.0
154	■Schneider/machinery & eng	10.461	49	12.805	2.204	144.08	3.19	7.96	2.5	85.0
244	Casino Groupe/retailing	7.518	94	3.764	1.615	32.45	1.89	1.83	4.3	37.3
264	Credit Commercial/banking	6.871	162	56.45[2]	1.959	35.79	3.02	3.38	3.0	10.9
277	Credit Foncier/banking	6.483	92	65.135	1.746	177.08	9.36	19.82	5.9	3.4[2]
279	Pinault/bldg materials	6.434	89	5.200[1]	1.455	67.68	4.15	4.99	4.0	65.0
291	•Thomson CSF/aero & defense	6.235	416	14.097	3.402	30.60	3.74	4.09	6.2	46.9
307	■Groupe Bull/data processing	5.979	-588	4.888	889	6.58	-2.84E	-1.48	0.0	39.9
308	■L'Oreal Group/personal care	5.928	382	5.631	9.927	170.59	6.57	7.31	1.4	29.9
326	■L'Aire Liquide Group/chemicals	5.640	378	7.488	7.724	148.53	7.27	8.41	2.6	27.5
327	Lafarge Coppee/bldg materials	5.609	219	9.257	3.775	69.57	4.03	5.13	3.6	34.7
336	Groupe Printemps/retailing	5.506	329	3.921	1.040	151.12	47.85	11.74	3.1	30.0
344	Hachette Group/media	5.390	-342	5.159[1]	511	25.98	-17.40	1.04	0.0	31.0
353	Docks de France/retailing	5.210	58	1.948	951	79.64	4.94	5.59	2.9	23.7
370	OCP-Office Commercial/chemicals	4.887	11	955	206	93.64	4.53	5.92	4.4	6.0
375	GTM-Entrepose/construction	4.767	41	6.116	674	77.88	4.79	6.23	2.5	37.5
383	•Groupe Havas/services	4.696	178	3.571	3.910	100.50	4.62	5.05	1.9	12.2
392	CMB Packaging/misc materials	4.520	151	5.164	2.749	34.03	1.87	2.31	3.0	32.8
438	Matra/aero & defense	4.023	45	6.286	872	36.34	1.86	3.03	4.2	21.2
444	Accor/leisure	3.976	136	5.279[1]	3.222	147.78	6.27	7.22	3.0	42.0
450	•LVMH Group/bev & tobacco	3.906	662	9.998	11.742	745.41	42.71	52.59	2.5	14.7
470	Comptoirs Modernes/retailing	3.738	54	1.513	999	240.50	13.40	14.60	2.0	15.7
485	■Valeo/industrial comp	3.522	97	3.326	1.720	138.14	7.76	10.61	1.2	27.0

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Sources: Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; Forbes.

P/E 17 • Yield 3% • Market value $389 billion • Year-to-date price change 6%

After losing 11% in 1990 (in U.S. dollars), the German stock market is turning around. The Morgan Stanley Capital International Perspective index of German stocks posted a 6% gain in 1991, and through May of this year is up another 6%. But economic problems loom. At the end of May, unemployment reached 14.7% in former East Germany and 5.8% in former West Germany. In fiscal 1991 the German government's budget deficit rose to DM110 billion ($72.6 billion), or about 4% of the country's GDP. Income and gasoline taxes in most regions have risen dramatically. And Germany's notoriously powerful labor unions are using demonstrations and strikes to win above-inflation wage increases. An incentive-based plan to privatize state-owned enterprises in the formerly communist eastern states offers tax cuts of up to 50%, including accelerated depreciation schedules. As of mid-June more than 7,000 of the 11,660 companies put on the block have been sold.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
11	■Daimler-Benz Group/automobiles	57.251	1.128	49.941	23.514	504.20	33.38	37.01	2.5	381.5
20	•Volkswagen Group/automobiles	45.986	665	46.240	8.240	255.37	20.01	20.34	4.2	260.1
21	■Siemens Group/elec & electron	44.857	1.135	41.765	23.152	434.90	21.51	27.68	2.9	402.0
27	VEBA Group/utilities	34.468	665	31.807	11.525	255.37	17.47	18.41	4.6	114.5
33	■RWE Group/utilities	31.379	543	28.962	10.840	257.17	12.06	16.05	4.2	102.2
41	■Hoechst Group/chemicals	28.433	661	23.560	9.527	164.11	11.37	12.44	7.1	179.3
47	■BASF Group/chemicals	28.096	626	24.716	8.840	155.09	10.98	11.76	7.5	129.4
51	■Bayer Group/chemicals	25.550	1.099	25.013	11.869	184.01	17.04	17.61	6.9	166.3
53	■Deutsche Bank Group/banking	25.121	834	295.458	20.172	439.63	18.17	40.62	3.3	71.4
57	Allianz Worldwide/insurance	24.242[1]	416[1]	98.757[1]	27.500	1.410.26	18.73E	27.25	0.9	44.3
63	■Thyssen Group/metals-steel	22.464	294	14.322	4.709	149.92	9.39	10.45	6.5	148.6
79	BMW-Bayerische Motor/automobiles	17.980	472	16.755	6.834	381.34	26.31	36.39	3.2	68.3
88	Preussag Group/multi-industry	15.646	307	8.185	3.836	260.16	20.81	19.78	3.7	68.6
91	•Dresdner Bank/banking	15.316	381	191.420	7.723	215.05	15.17	17.67	5.4	44.6
99	■Mannesmann Group/machinery & eng	14.652	237	12.974	6.001	188.18	8.44	9.27	4.7	125.2
104	VIAG Group/multi-industry	14.299	244	12.461	4.466	251.51	10.80	18.79	3.5	74.1
119	Metallgesellschaft/multi-industry	13.013	28	7.948	2.462	278.69	3.19	8.59	3.5	35.8
131	M A N Group/machinery & eng	11.970	240	10.033	3.599	249.58	15.58	19.10	4.7	64.2
133	•Commerzbank/banking	11.765	327	149.151	4.164	161.24	10.54	16.86	6.0	29.5
151	■Bayer Vereinsbank/banking	10.861	178	149.495	4.929	257.23	10.12	20.03	4.9	20.5
156	■Karstadt Group/retailing	10.320	155	4.036[1]	3.276	390.05	21.96	23.14	3.0	78.9
169	■Deutsche Lufthansa/airlines	9.701	–257	9.732[1]	2.459	82.12	–5.97E	–0.75	0.0	50.3[2]
180	Kaufhof/retailing	9.338	82	4.026	2.657	311.98	14.46	15.93	3.7	58.7
184	Munchener Ruck/insurance	9.271	66	21.293	10.608	1.474.34	8.38	15.74	0.7	3.5
188	Bayerische Hypotheken/banking	9.139	212	127.376	4.735	244.75	12.27	22.89	5.2	15.3
217	Degussa/misc materials	8.202	60	4.294	1.676	229.55	7.37	9.83	3.0	33.5
235	Henkel Group/food, household	7.776	240	6.540	5.443	387.43	17.07	22.77	2.5	40.1
269	ASKO Group/retailing	6.719[1]	165[1]	3.837[1]	1.700	515.71	49.49E	47.96	3.2	35.4
299	■Hoesch Group/metals-steel	6.091	78	5.319	1.216	170.95	10.85	10.26	5.7	44.2
323	•Continental Group/industrial comp	5.650	78	4.386	1.511	172.01	3.04	7.03	0.0	51.4
342	Philipp Holzmann/construction	5.423E	30	4.751	2.061	732.82	13.86E	17.54	1.5	41.5
395	Deutsche Babcock Group/machinery & eng	4.501	17	2.155	696	100.03	3.38	3.80	0.0	39.3
410	■Klockner-Werke Group/metals-steel	4.309	1	4.115	699	76.27	0.10	1.12	0.0	31.2
421	Linde/machinery & eng	4.165	147	3.904	3.682	538.73	25.61	28.74	2.7	27.7
432	VEW-Vereinigte Elekt/utilities	4.054	90	6.729	2.671	133.56	7.11E	7.47	4.7	8.0
458	Schering Group/personal care	3.832	165	4.490	3.399	497.36	24.18	29.05	2.5	26.3
478	AGIV/multi-industry	3.600[1]	64[1]	3.066[1]	1.353	451.01	24.45E	26.44	2.4	33.9

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P/E 19 • Yield 3% • Market value $150 billion • Year-to-date price change –3%

Italy's accumulated deficit now exceeds its 1991 gross domestic product of 1.5 quadrillion lire ($1.2 trillion). Last year's budget deficit alone amounted to 11% of GDP, squeezing loanable funds for the private sector and raising interest rates. Italy now has an inverted yield curve, with ten-year government bonds yielding 13% while one-year government debt yields over 14%.

Italy's small stock market has seen its market value decline in real dollar terms since 1986. Merrill Lynch's Mike Young, director of European Investment Strategy, is bearish on Italy because of a net outflow of capital from its equity market. Young attributes this to low earnings growth and the historical underperformance of Italian equities.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
17	•Fiat Group/automobiles	46,612	898	69,128	9,356	4.40	0.37	0.14	4.3	288.0
77	▪STET/telecomm.	18,510	809	90,315	7,345	1.64	0.18	0.19	5.1	129.5
103	•Ferruzzi/Montedison Group/multi-industry	14,340	93	32,931	1,726	1.47	0.07	0.09	2.5	44.9
127	Generali Group/insurance	12,479[1]	390[1]	37,180[1]	17,759	24.37	0.67E	0.73	0.6	22.0E
165	Banca Commerciale Italian/banking	9,838	292	101,688	2,664	2.62	0.28	0.34	6.3	21.7
204	▪Pirelli Group/industrial comp	8,419	–22	9,382	1,763	1.19	–0.50	0.01	4.9	67.1
233	Credito Italiano/banking	7,811	239	81,963	2,263	1.47	0.15	0.19	4.8	17.1
260	Olivetti Group/data processing	6,938	–371	12,427[1]	1,470	2.59	–0.61	–0.03	0.0	47.0
324	Banco di Roma/banking	5,649	116	69,368	1,993	1.66	0.10	0.11	2.5	14.3
381	Alitalia Group/airlines	4,730	–29	4,644	596	0.62	–0.03	–0.05	0.0	28.7
384	SME/food, household	4,686	102	2,755[1]	1,267	2.79	0.23	0.21	3.3	22.3

P/E 31 • Yield 1% • Market value $2,359 billion • Year-to-date price change –21%

One of the more optimistic forecasts for Japan is that corporate profits will decline only 9.8% this year. Nikko Securities International's Hisafumi Taima, believes that the Nikkei index, down 58% from its January 1990 high, is still in "very serious" trouble. Taima says a market recovery is unlikely until earnings pick up, maybe in the fourth quarter.

In our issue two years ago *(July 23, 1990)* Japanese stocks had an average P/E of 44. Based on May 29 prices and latest fiscal-year earnings, the P/E is still a relatively expensive 31. But if Japanese stock prices are finally coming into line with other world markets, it could create a lot of investment opportunities.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
1	▪C Itoh & Co/trading	154,555	91	62,179	4,880	3.42	0.06	0.12	1.4	7.1
2	Sumitomo/trading	149,530	274	47,431	7,171	6.74	0.26	0.32	0.9	20.7
3	▪Marubeni/trading	140,457	85	65,921	4,982	3.34	0.06	0.09	1.5	9.9
4	▪Mitsubishi/trading	135,882	395	77,044	12,498	7.99	0.25	0.30	0.8	33.5
5	•Mitsui & Co/trading	133,632	202	69,766[1]	7,392	4.78	0.13	0.19	1.2	11.7
7	Nissho Iwai/trading	84,874	71	38,837[1]	2,794	3.56	0.09	0.10	1.1	7.5
8	▪Toyota Motor/automobiles	71,911	3,145	65,178	44,018	11.83	0.90	0.60	1.3	102.4
9	•Hitachi[3]/elec & electron	58,234	957	66,501	20,661	6.31	0.28	0.30	1.4	324.3
12	•Matsushita Electric Ind[3]/appliances	55,867	996	67,716	22,648	10.81	0.45	0.49	0.9	242.2
13	Tomen/trading	52,788[1]	52[1]	18,404[1]	1,946	2.91	0.06P	0.08	1.5	3.3[2]
14	•Nissan Motor/automobiles	48,128	760	53,097	12,437	4.95	0.30	0.13	2.2	143.9
15	Nippon Tel & Tel/telecomm	47,994	1,432	86,070	77,603	497.45	9.18	8.14	0.8	264.9
18	Nichimen/trading	46,588[1]	61[1]	16,658[1]	1,324	3.13	0.13P	0.15	1.5	2.9[2]
19	Kanematsu/trading	46,087	53	12,696	1,084	3.93	0.19	0.32	1.2	3.8

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Japan

P/E 31 • Yield 1% • Market value $2,359 billion • Year-to-date price change –21%

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
24	**Toshiba**/elec & electron	35,395	292	39,220[1]	16,013	4.99	0.09	0.12	1.6	170.0
26	**Tokyo Electric Power**[2]/utilities	34,495	565	78,638[1]	29,276	21.86	0.42	0.43	1.8	40.7
29	•**Honda Motor**/automobiles	32,921	487	20,943[1]	11,584	11.91	0.50	0.53	0.9	85.5
30	■**Sumitomo Bank**/banking	32,535	877	407,907[1]	37,156	11.83	0.28	0.38	0.6	16.7[2]
31	■**Sanwa Bank**/banking	32,277	802	401,465[1]	30,438	10.50	0.28	0.35	0.6	14.2[2]
32	■**Dai-Ichi Kangyo Bank**/banking	31,773	626	426,858[1]	34,712	11.12	0.20	0.25	0.6	18.7[2]
34	■**Fuji Bank**/banking	30,841	693	418,956	34,025	11.75	0.24	0.38	0.6	15.8[2]
36	■**Sakura Bank**/banking	30,430	606	420,348	29,075	8.77	0.18	0.21	0.8	22.4
39	•**Sony**/appliances	28,646	900	36,869	12,626	33.84	2.20	1.28	1.2	119.0
44	•**NEC**[3]/elec & electron	28,300	115	30,640	11,623	7.55	0.07	0.17	1.0	128.3
46	•**Mitsubishi Bank**[3]/banking	28,271	559	379,329[1]	39,879	13.87	0.19	0.26	0.5	15.1[2]
50	■**Fujitsu**/data processing	25,797	91	26,504[1]	9,372	5.17	0.05	0.10	1.5	145.9
54	■**Mitsubishi Electric**/elec & electron	25,047	271	23,532[1]	8,252	3.85	0.13	0.13	2.0	97.0
58	■**Indl Bank of Japan**/banking	24,197	440	302,418	34,079	14.49	0.19	0.26	0.5	5.2[2]
60	**Mitsubishi Motors**/automobiles	23,172	221	14,468[1]	4,281	5.01	0.26	0.20	1.1	26.7[2]
62	**Nippon Steel**/metals-steel	22,714[1]	644[1]	31,270[1]	16,354	2.37	0.07E	0.05	2.0	54.1[2]
65	•**Ito-Yokado**/retailing	21,857	550	11,985	14,234	34.47	1.35	1.51	0.7	32.7
66	**Mitsubishi Heavy Inds**/machinery & eng	20,922	793	25,702[1]	15,604	4.64	0.24	0.23	1.4	58.3
68	**Nippon Oil**/energy	20,767[1]	174[1]	18,915[1]	6,961	5.68	0.19E	0.18	0.8	9.5
70	**Mazda Motor**/automobiles	20,397	70	10,937[1]	3,751	3.49	0.06	0.08	1.7	29.0[2]
71	■**Bank of Tokyo**/banking	19,914	303	222,504[1]	17,339	8.62	0.15	0.20	0.8	17.5
73	■**Daiei**/retailing	18,695	76	9,326[1]	2,928	7.21	0.19	0.20	1.8	16.8[2]
78	■**Tokai Bank**/banking	18,105	383	248,986[1]	14,605	7.20	0.19	0.17	0.9	12.1[2]
81	**Kansai Electric Power**[2]/utilities	17,548	547	41,163[1]	18,521	19.12	0.56	0.53	2.1	24.8
85	**Long-Term Credit Bank**/banking	16,589	472	214,234[1]	14,622	6.11	0.20	0.20	1.0	3.7[2]
86	■**Kajima**/construction	16,498	453	18,759[1]	7,757	8.07	0.47	0.54	1.3	13.5[2]
94	■**Kyowa Saitama Bank**[2]/banking	15,096	284	226,793	13,160	5.67	0.12	0.15	1.0	15.9
96	**Toyota Tsusho**/trading	15,045[1]	58[1]	7,112[1]	1,220	4.82	0.20E	0.24	1.2	1.9[2]
102	**Chubu Electric Power**[2]/utilities	14,473	465	32,738[1]	14,685	19.90	0.63	0.75	2.0	20.2
105	**Shimizu**/construction	14,241[1]	342[1]	19,206[1]	6,609	8.38	0.40P	0.55	0.9	11.1[2]
107	•**Canon**/leisure goods	13,875	388	16,677	8,352	11.12	0.52	0.53	0.9	62.7
108	■**NKK**/metals-steel	13,739[1]	210[1]	22,752[1]	7,867	2.23	0.07E	0.04	1.8	44.1
111	**Cosmo Oil**/energy	13,250	148	9,127[1]	3,174	5.60	0.26	0.21	0.8	3.5[2]
113	■**Taisei**/construction	13,222[1]	233[1]	18,929[1]	5,796	5.69	0.29E	0.34	1.7	12.4[2]
115	**Nippon Express**/trucking, RR	13,123	194	6,874[1]	5,793	5.40	0.18	0.16	0.9	50.4
117	■**Bridgestone**/industrial comp	13,095	56	14,430	7,136	9.24	0.07	0.19	1.2	83.1
121	■**Sumitomo Metal Inds**/metals-steel	12,847[1]	383[1]	17,972[1]	7,071	2.34	0.07E	0.06	2.0	20.6[2]
125	**Kawasho**/trading	12,546[1]	45[1]	6,788[1]	443	3.68	0.37E	NA	1.3	2.3[2]
134	■**Sanyo Electric**/appliances	11,764	124	15,860	7,045	3.64	0.06	0.07	1.7	55.1
138	■**Sharp**/appliances	11,399	293	14,730[1]	10,362	9.71	0.27	0.31	0.9	36.5
141	**Sumitomo Trust & Banking**/financial svcs	11,274[1]	324[1]	113,600[1]	9,059	7.29	0.18P	0.19	0.9	7.5[2]
142	■**Isuzu Motors**/machinery & eng	11,272	-458	9,612	2,447	2.37	-0.45	-0.36	0.0	13.5
149	■**Mitsubishi Trust & Bank**/financial svcs	10,989	263	130,759[1]	9,906	7.61	0.20	0.20	0.9	7.0[2]
150	■**Nippondenso**/industrial comp	10,987	451	11,938	9,696	11.59	0.54	0.51	1.0	55.0
153	**Daiwa Bank**/banking	10,595	237	132,104	10,641	7.15	0.19	0.22	0.8	9.7[2]
155	■**Jusco**/retailing	10,406[1]	109[1]	6,812[1]	3,892	12.61	0.33P	0.41	1.2	12.1[2]
157	**Kobe Steel**/metals-steel	10,299[1]	187[1]	16,404[1]	7,397	2.61	0.07P	0.05	1.8	21.1[2]
158	**Nippon Credit Bank**/banking	10,291[1]	156[1]	127,928[1]	9,244	53.27	1.30P	1.41	0.9	2.6[2]
161	**Seiyu**/retailing	10,170	89	10,755[1]	2,121	9.48	0.40	0.50	1.3	11.0[2]
163	**Takashimaya**/retailing	10,065	49	5,489[1]	2,094	9.48	0.22	0.35	0.8	10.0[2]
166	■**Asahi Chemical Ind**/chemicals	9,824	229	9,128[1]	7,673	5.32	0.16	0.15	1.3	26.0E
168	■**Kumagai Gumi**/construction	9,732[1]	79[1]	15,766[1]	3,050	4.48	0.05E	0.07	1.6	9.1[2]
171	■**Japan Air Lines**/airlines	9,577[1]	99[1]	12,948[1]	10,550	5.93	-0.02E	-0.01	0.7	21.7[2]

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Japan

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1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
172	**Obayashi**/construction	9,548[1]	196[1]	14,390[1]	3,561	4.78	0.26E	0.29	1.8	11.9
174	**Nichii**/retailing	9,523	77	7,246[1]	2,798	10.18	0.28	0.34	1.5	20.0
176	**Mitsui Trust & Banking**/financial svcs	9,471	187	102,149[1]	8,110	6.77	0.16	0.17	1.0	6.9[2]
179	**Suzuki Motor**/automobiles	9,366	148	5,223[1]	2,425	5.78	0.35	0.30	1.0	13.1[2]
181	**Tohoku Electric Power**[2]/utilities	9,321	364	19,948	9,751	19.59	0.73	0.72	2.0	13.5
183	■**Kawasaki Steel**/metals-steel	9,301[1]	308[1]	14,695[1]	7,591	2.34	0.06E	0.04	2.0	18.0
185	■**Asahi Glass**/misc materials	9,265	280	11,564	9,984	8.54	0.24	0.23	0.8	9.9[2]
193	■**Yasuda Trust & Banking**/financial svcs	8,962[1]	188[1]	79,753[1]	7,406	6.71	0.14P	0.17	1.0	6.0[2]
194	■**Mitsubishi Kasei**/chemicals	8,947[1]	101[1]	11,107[1]	5,495	3.55	0.02P	0.03	1.5	9.0[2]
195	**Mitsui Fudosan**/real estate	8,897[1]	293[1]	24,418[1]	6,554	8.15	0.27P	0.31	0.9	9.3
197	**Mitsubishi Materials**/metals-nonfer	8,744	263	9,559[1]	3,998	3.53	0.23	0.12	1.6	32.0
199	■**Sumitomo Electric Inds**/industrial comp	8,699	241	8,498	5,655	7.99	0.34	0.35	1.0	33.7
203	■**Sekisui House**[2]/construction	8,564	357	9,688[1]	6,206	9.95	0.57	0.56	1.4	11.5[2]
205	■**Mitsukoshi**/retailing	8,375	8	4,298[1]	3,248	6.75	0.02	0.03	0.7	12.1[2]
211	■**Dai Nippon Printing**[3]/services	8,281[1]	306[1]	8,340[1]	8,451	11.28	0.40P	0.48	0.7	13.8[2]
212	**Kyushu Electric Power**[2]/utilities	8,274[1]	234[1]	22,404[1]	7,871	16.77	0.58P	0.66	2.3	14.0
213	■**Fuji Photo Film**/leisure goods	8,267	702	12,471	11,484	22.41	1.37	1.46	0.5	23.7
220	**Sumitomo Chemical**/chemicals	8,092	149	10,368	5,920	3.65	0.09	0.07	1.3	15.0
221	•**Tokio Marine & Fire Ins**/insurance	8,063	237	34,599	12,347	7.99	0.15	0.18	0.8	14.1
223	**Kawasaki Heavy Inds**/machinery & eng	7,994	104	7,897[1]	4,487	3.36	0.08	0.10	1.2	20.6
225	■**Matsushita Electric Works**/elec & electron	7,976	257	8,641	6,308	8.77	0.39	0.36	1.1	23.6
229	**Taiyo Fishery**/food, household	7,911	-42	3,277[1]	900	3.00	-0.14	0.01	0.0	12.4
230	**Ishikawajima-Harima**/machinery & eng	7,904	185	9,475[1]	4,781	3.68	0.14	0.12	1.1	16.1[2]
231	**Nippon Mining**/energy	7,896	-122	7,918[1]	3,319	3.67	-0.14	0.03	1.1	5.6[2]
232	**Mitsubishi Oil**/energy	7,871[1]	88[1]	5,841[1]	2,332	6.75	0.27E	0.25	0.7	2.2[2]
234	■**Fuji Heavy Inds**/automobiles	7,799	-162	5,740[1]	1,596	2.73	-0.28	-0.14	0.0	15.2[2]
238	•**Ricoh**/data processing	7,649	15	9,262	2,700	4.14	0.02	-0.03	1.9	46.0
245	■**Toppan Printing**/services	7,517[1]	243[1]	7,270[1]	5,830	8.62	0.37E	0.43	0.9	16.2
249	■**Toray Industries**/chemicals	7,327	208	8,155[1]	6,930	4.98	0.15	0.15	1.1	25.7
251	**Snow Brand Milk Prods**/food, household	7,290[1]	57[1]	3,781[1]	1,645	4.84	0.21E	0.24	0.9	8.0[2]
261	•**Komatsu**/machinery & eng	6,899	82	9,356[1]	5,010	5.00	0.08	0.12	1.3	24.8
262	■**Bank of Yokohama**/banking	6,877	110	98,583	8,541	7.51	0.10	0.16	0.5	6.1[2]
263	**Dainippon Ink & Chems**/chemicals	6,876	17	7,669	3,046	3.85	0.02	0.06	1.2	22.7
266	**Fuji Electric**/elec & electron	6,817	126	6,233[1]	3,283	4.62	0.18	0.17	1.4	14.5[2]
266	•**Kubota**/machinery & eng	6,817	31	7,618[1]	5,959	4.23	0.02	0.04	1.1	15.5[2]
273	**Toshoku**/trading	6,614	14	6,028	1,299	7.56	0.08	0.17	0.6	0.6[2]
274	■**All Nippon Airways**/airlines	6,562	55	9,891	11,754	8.15	0.04	0.07	0.5	17.8
275	**Daihatsu Motor**/automobiles	6,561	18	4,313	1,358	3.19	0.04	0.07	1.5	19.7
280	**Yasuda Fire & Marine Ins**[2]/insurance	6,371	108	24,879[1]	4,417	4.98	0.12	0.14	1.1	10.6
282	**Chugoku Electric Power**[2]/utilities	6,356[1]	153[1]	15,149[1]	6,070	16.69	0.60P	0.58	2.4	11.1
283	■**Fujita**/construction	6,349	129	9,418[1]	2,688	5.44	0.26	0.28	1.4	5.7[2]
290	**Toyo Trust & Banking**[2]/financial svcs	6,248	136	64,322	5,560	7.07	0.15	0.17	0.9	5.6
295	**Kinki Nippon Railway**/trucking, RR	6,108[1]	149[1]	8,376[1]	8,863	5.81	0.10E	0.11	0.7	11.8[2]
297	■**Kirin Brewery**/bev & tobacco	6,103	320	10,870	10,059	9.56	0.31	0.34	0.7	7.9[2]
298	**Daimaru**/retailing	6,094[1]	35[1]	2,782[1]	1,133	4.18	0.11E	0.10	0.9	7.6[2]
306	■**Nippon Yusen**/shipping	5,960[1]	45[1]	9,021[1]	4,571	3.95	0.05E	0.06	0.8	2.5
309	**Tonen**/energy	5,888	131	6,520	6,281	9.71	0.20	0.20	2.0	2.3[2]
312	**Hokkaido Takushoku Bank**/banking	5,828[1]	144[1]	77,149[1]	3,720	4.00	0.12P	0.15	1.4	6.3[2]
314	**UNY**/retailing	5,809	79	3,249[1]	1,750	9.24	0.42	0.47	1.5	7.5[2]
318	**Sekisui Chemical**/bldg materials	5,726[1]	232[1]	7,156[1]	3,438	6.35	0.39E	0.43	1.4	5.5[2]
318	■**Daiwa House Industry**/construction	5,726[1]	318[1]	7,458[1]	6,819	14.26	0.66E	0.75	0.9	10.4[2]
322	■**Furukawa Electric**/industrial comp	5,662	62	5,448[1]	2,354	3.59	0.10	0.09	1.3	11.0
325	**Itoman**/trading	5,641[1]	-422[1]	8,668[1]	517	2.47	0.79E	0.06	0.0	1.4[2]

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332	**Tokyo Gas**/utilities	5,514[1]	123[1]	7,332[1]	10,082	3.59	0.05E	0.07	1.1	12.7[2]
335	**Hanwa**/retailing	5,507[1]	156[1]	21,709[1]	4,447	11.75	0.19P	0.20	0.9	1.3
338	■**Kao**/food, household	5,474	150	4,506[1]	5,059	8.46	0.25	0.31	0.9	6.7
339	**Aisin Seiki**/industrial comp	5,443[1]	89[1]	3,530[1]	1,790	6.50	0.23E	0.21	1.5	11.2[2]
346	**Toyo Seikan Kaisha**/misc materials	5,358[1]	260[1]	4,138[1]	5,136	25.46	1.26E	1.48	0.3	6.4[2]
347	**Chori**/trading	5,348[1]	7[1]	3,521[1]	290	3.37	-0.51P	0.05	0.6	1.5[2]
348	**Daikyo**[2]/real estate	5,332	55	11,965[1]	1,553	8.38	0.30	0.34	2.1	2.8[2]
349	**Takeda Chemical Inds**/personal care	5,322	254	6,830[1]	7,664	8.77	0.29	0.35	1.1	15.2
352	**Yamaha Motor**/leisure goods	5,212	69	3,952[1]	1,624	7.05	0.30	0.35	0.7	9.9
354	**Toda**[3]/construction	5,206[1]	117[1]	5,839[1]	2,028	6.94	0.41E	0.48	1.1	5.6
356	**Nippon Meat Packers**[3]/food, household	5,188[1]	82[1]	3,279[1]	2,936	14.18	0.43P	0.53	0.7	3.8[2]
359	■**Kanebo**/textile,apparel	5,109	-45	4,784[1]	1,749	3.49	-0.09	0.01	1.1	10.4[2]
360	**Oki Electric Industry**/elec & electron	5,107	-4	6,243	2,062	3.37	-0.01	-0.02	1.6	20.3
361	**Hazama**/construction	5,103[1]	70[1]	5,747[1]	1,295	4.03	0.23P	0.22	1.6	5.3[2]
363	■**Ajinomoto**/food, household	5,077	79	5,616	6,603	10.18	0.12	0.19	0.8	11.4
368	■**Oji Paper**/forest products	4,942	63	6,515	4,147	6.82	0.10	0.12	1.0	6.1[2]
372	**Ube Industries**/misc materials	4,820[1]	61[1]	6,479[1]	2,572	3.07	0.06P	0.06	1.3	7.2[2]
373	■**Nomura Securities**/financial svcs	4,792	220	43,612[1]	22,124	11.28	0.11	0.22	1.0	16.6
374	■**Hino Motors**[2]/machinery & eng	4,780	55	2,592[1]	1,716	4.79	0.15	0.10	1.2	8.2
377	■**Daiwa Securities**/financial svcs	4,750	-319	45,979[1]	9,309	6.93	-0.24	0.18	1.0	12.6[2]
378	**Showa Denko**/chemicals	4,744	13	5,860[1]	2,586	2.49	0.01	0.02	0.0	5.4[2]
379	■**Teijin**/chemicals	4,739	153	7,558	3,471	3.56	0.16	0.17	1.3	6.7[2]
389	•**Pioneer Electronic**/appliances	4,597	214	3,899	5,191	28.91	1.19	1.28	0.7	15.9
393	**Nippon Light Metal**/metals-nonfer	4,509[1]	356[1]	4,843[1]	2,778	5.41	0.19E	0.19	0.7	5.0[2]
394	**Osaka Gas**/utilities	4,502[1]	147[1]	6,974[1]	9,606	3.80	0.07P	0.09	1.0	9.1
396	■**Marui**/retailing	4,486	228	6,280	3,826	10.42	0.62	0.58	1.7	9.2[2]
397	**Matsuzakaya**/retailing	4,437	29	2,078[1]	2,069	13.32	0.19	0.18	0.5	7.4[2]
401	**Toyoda Automatic Loom**[2]/machinery & eng	4,375	113	3,044	3,159	11.20	0.40	0.41	0.9	8.8
407	■**Mitsui Marine & Fire Ins**/insurance	4,327E	84	16,915[1]	3,954	5.45	0.12	0.14	1.0	7.9
409	**Shinsho**[2]/trading	4,311[1]	6[1]	1,919[1]	271	3.45	0.07P	0.08	1.1	1.0
413	**Nagase & Co**/trading	4,243[1]	59[1]	2,474[1]	890	5.88	0.28E	0.36	1.1	1.3[2]
415	•**Nintendo**/leisure goods	4,214	653	3,883	11,764	83.04	4.61	4.70	0.6	2.2
416	**Mitsui OSK Lines**/shipping	4,197[1]	38[1]	6,337[1]	3,477	3.21	0.04E	0.05	1.0	1.6[2]
417	**Sumitomo Rubber Inds**/industrial comp	4,197	30	4,257	1,236	6.90	0.18	0.25	1.0	22.0
420	**Tokyu Dept Store**/retailing	4,167	-6	3,306[1]	1,314	4.78	-0.02	0.15	1.3	5.1[2]
425	**Chiba Bank**[2]/banking	4,151	115	62,454[1]	5,210	6.70	0.16	0.17	0.6	4.9
426	■**Shiseido**/personal care	4,147	120	4,243[1]	4,271	10.97	0.31	0.36	0.8	3.6[2]
429	**Asahi Breweries**/bev & tobacco	4,111	36	16,302	3,792	9.09	0.09	0.10	0.7	6.9
433	**Sumitomo Metal Mining**/metals-nonfer	4,043	76	4,398[1]	3,068	6.10	0.15	0.15	0.9	4.0[2]
434	**Jujo Paper**/forest products	4,035[1]	60[1]	4,973[1]	2,129	4.31	0.05E	0.06	1.3	4.5
437	■**Yamazaki Baking**/food, household	4,024	103	2,701	3,279	14.88	0.47	0.51	0.6	15.3[2]
439	**Tokyu Construction**/construction	4,020[1]	51[1]	4,894[1]	1,052	5.38	0.28E	0.32	1.6	4.5[2]
440	•**TDK**/electronic comp	4,012	162	4,710	4,419	33.61	1.23	1.24	1.2	25.8
441	**Okura & Co**/trading	3,996[1]	6[1]	2,439[1]	472	4.70	0.09E	0.09	0.8	0.8[2]
442	**Sumitomo Forestry**/construction	3,991[1]	65[1]	2,462[1]	2,425	14.88	0.40P	0.49	0.4	3.3[2]
445	**Mitsubishi Petrochemical**/chemicals	3,957[1]	185[1]	5,121[1]	3,222	6.54	0.22E	0.20	1.0	3.4[2]
446	**Iwatani International**/utilities	3,935[1]	27[1]	2,379[1]	1,344	5.56	0.13E	0.14	0.9	1.7[2]
446	**Haseko**/construction	3,935[1]	103[1]	9,541[1]	2,062	4.80	0.09P	0.16	1.8	3.2[2]
448	**General Sekiyu Group**/energy	3,911[1]	64[1]	2,697[1]	1,966	8.07	0.29P	0.40	2.2	1.4[2]
449	**Nishimatsu Construction**[2]/construction	3,908[1]	63[1]	4,384[1]	2,400	8.77	0.30P	0.32	0.8	4.9
451	**Joyo Bank**[2]/banking	3,905[1]	121[1]	46,147[1]	4,547	5.94	0.16P	0.19	0.7	4.8
452	**Isetan**/retailing	3,893[1]	71[1]	3,286[1]	3,776	17.16	0.19P	0.34	0.5	9.7

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Sources: Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; Forbes.

Japan

P/E 31 • Yield 1% • Market value $2,359 billion • Year-to-date price change –21%

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
453	▪Toyobo/textile apparel	3,879[1]	50[1]	4,042[1]	2,274	3.29	0.07E	0.07	1.2	8.4[2]
456	▪Konica/leisure goods	3,857	7	4,071	1,665	4.66	0.03E	0.06	1.9	5.1[2]
457	Yamaha/leisure goods	3,847	43	3,423[1]	1,479	7.62	0.22	0.19	1.0	12.2[2]
461	Sato Kogyo/construction	3,815[1]	43[1]	5,112[1]	2,171	8.30	0.13P	0.16	0.8	5.4[2]
465	Sumitomo Marine & Fire[2]/insurance	3,790[1]	101[1]	15,288[1]	3,817	5.72	0.14E	0.16	1.0	6.1
467	▪Nippon Suisan Kaisha/food, household	3,780[1]	-45[1]	2,228[1]	1,253	4.23	0.01P	0.04	0.0	3.0[2]
468	Nissan Shatai/automobiles	3,758[1]	22[1]	1,499[1]	531	3.38	0.09P	0.08	2.1	5.7[2]
469	Chuo Trust & Banking/banking	3,751[1]	75[1]	35,580[1]	3,612	15.67	0.23P	0.26	0.4	4.5[2]
471	Mitsui Toatsu Chemicals/chemicals	3,737[1]	110[1]	5,620[1]	2,363	3.02	0.07	0.07P	1.6	5.4[2]
475	Mitsui Mining & Smelting/metals-nonfer	3,617[1]	45[1]	3,122[1]	1,390	2.86	0.05E	0.04	1.1	3.8[2]
476	Nichirei/[4]od, household	3,610[1]	20[1]	2,446[1]	1,491	4.82	0.06E	0.07P	1.0	2.8[2]
479	▪Shizuoka Bank[2]/banking	3,584[1]	144[1]	54,560[1]	7,114	8.85	0.19P	0.23	0.5	5.3
483	Mitsui Construction[2]/construction	3,555[1]	29[1]	3,791[1]	944	4.54	0.16P	0.18	1.3	4.8
486	Osaka Uoichiba/trading	3,518[1]	12[1]	625[1]	299	5.34	NA	NA	1.1	0.5[2]
488	Seibu Railway/trucking, RR	3,497[1]	14[1]	6,151[1]	7,909	18.25	0.02E	0.04	0.2	5.7[2]
489	▪Alps Electric/electronic comp	3,459	55	3,191[1]	1,445	8.07	0.31	0.19	1.5	15.3
490	Kawasaki Kisen Kaisha/shipping	3,454[1]	-22[1]	3,582[1]	1,807	3.09	0.03E	0.03	0.0	1.7[2]
491	Toyota Auto Body[2]/automobiles	3,448[1]	28[1]	983[1]	599	6.97	0.28E	0.27	1.1	7.7
494	Toyo Sash/bldg materials	3,419[1]	166[1]	4,245[1]	4,928	22.64	0.63E	0.71	0.4	19.5
495	Honshu Paper/forest products	3,412[1]	35[1]	4,057[1]	1,457	4.22	0.06E	0.08	1.2	6.3[2]
498	Kandenko[2]/construction	3,405[1]	76[1]	2,658[1]	2,614	18.65	0.62P	0.73	0.3	9.6
499	Daikin Industries/machinery & eng	3,404	109	3,296	2,232	8.46	0.41	0.40	1.1	11.8
500	▪Kyocera[3]/electronic comp	3,401	203	5,007	6,484	34.94	1.09	1.28	1.1	13.7[2]

P/E 15 • Yield 2% • Market value $90 billion • Year-to-date price change –8%

The elections in South Korea near the end of the year could be a watershed for the country. South Korea is still in transition from a military-run government to a civilian-run government. For the first time since the division of the nation in 1945, all presidential candidates are civilians, offering voters the full spectrum of fiscal and social policies.

All this uncertainty "may keep investors on the sidelines," says Merrill Lynch's Douglas Johnson. Korea's economic expansion, 8.4% in 1991, is much faster than that of most nations but represents a decline from the 9% growth in 1990. The GDP growth rate is expected to drop a bit this year and next but stay healthy.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
122	Hyundai/trading	12,814	12	380	76	15.89	2.56	2.57	3.9	0.8
126	Ssangyong Group/multi-industry	12,488	111	10,998	3,636	18.64	0.57	NA	5.0	23.9
208	Hyundai Motor/automobiles	8,326	76	7,460	1,013	18.77	1.41	1.59	4.1	44.1
227	Pohang Iron and Steel/metals-steel	7,946	199	13,993	2,240	24.40	2.17	2.18	2.6	25.0
256	Korea Electric Power/utilities	7,110[1]	1[1]	19,324[1]	9,363	15.39	NA	NA	1.3	33.6
317	Hyundai Eng & Const/construction	5,773	93	6,014	546	12.76	2.18	0.84	1.0	61.5
337	Yukong/energy	5,482	33	5,551	1,185	28.78	0.85	1.01	2.5	5.7
364	Goldstar/electronic comp	5,022	25	4,350	703	12.76	0.36	0.44	3.4	32.4
371	Lucky Goldstar Intl/trading	4,865	5	1,004	184	12.14	0.35	0.39	1.5	3.9
462	Hyundai Motor Service/automobiles	3,799	41	2,447	327	37.66	4.68	5.82	1.5	10.2

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P/E 14 • Yield 4% • Market value $139 billion • Year-to-date price change 6%

Relatively small in geography and population, the Netherlands is nevertheless one of the largest investors in the U.S. The Dutch economy, however, is heavily industrialized, closely tied to Unilever, Royal Dutch and Philips Group. Although aggregate profits for those companies rose 16% in 1991, total employment slipped 5%, to 689,100. Philips is having a particularly tough time in competitive consumer electronics, but its stock is up 87% since hitting a five-year low in October 1990. The Dutch stock market sells for among the lowest price/earnings and price/book ratios in Europe with the highest dividend yields after Belgium, Spain and the U.K.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
6	•Royal Dutch/Shell Group/energy	102,801	4,247	105,582	77,898[5]	87.06	5.19	6.29	5.2	133.0
22	•Unilever/food, household	40,863	2,027	25,409	29,851[6]	102.36	7.25	8.11	3.0	292.0
35	•Philips Group[3]/appliances	30,479	483	29,551	6,586	21.32	1.61	2.18	0.0	264.1
56	Intl Nederlanden Group/insurance	24,657	842	174,132	6,709	27.18	3.41	3.92	6.3	48.7
145	•Ahold/retailing	11,120	143	3,143	2,389	47.95	2.87	3.45	1.9	62.8
186	•Fortis Group/insurance	9,246	504	42,335	3,854[7]	30.33	4.49	4.51	5.5	21.4
192	•Akzo Group/chemicals	9,013	370	7,941	4,067	88.49	8.04	9.42	4.1	65.2
250	•Aegon Insurance Group/insurance	7,295	447	41,748	3,224	68.00	9.35	8.91	6.0	11.1
294	Schlumberger[3]/energy	6,145	664	6,854	15,777	65.75	2.78	3.64	1.8	53.0
301	•ABN-Amro Holding/banking	6,054[8]	822	242,686	6,471	24.47	2.76	3.17	6.6	58.3
365	■DSM/chemicals	4,999	265	5,979	2,241	63.80	7.55	7.17	6.9	25.2
406	■Hoogovens Groep/metals-steel	4,330	10	5,412	728	32.65	0.45	-0.77	0.0	27.5
419	•KLM/airlines	4,179	41	6,827[1]	1,185	22.43	1.63E	2.65	2.5	28.6
435	■Heineken/bev & tobacco	4,034	219	4,634	3,714	92.53	5.46	6.40	1.7	24.1
477	•Royal Nedlloyd Group/shipping	3,609	2	3,219	720	33.31	0.10	1.19	0.0	25.3

P/E 11 • Yield 5% • Market value $130 billion • Year-to-date price change 4%

At 11 times earnings, the Spanish stock market is the cheapest of any developed country. Yet Valentin Fernandez, an analyst at Beta Capital, a brokerage firm in Madrid, says it could easily get cheaper. The Spanish economy, he explains, is growing more slowly than it was a few years ago. Fernandez expects 1992 to be uneventful. About the only Spanish industry group that he recommends now is electric utilities.

Iberdrola I—now Spain's largest utility by revenues—was formed in 1991 by the combination of Iberduero and Hidroelectrica Española. And Banco Central Hispanoamericano, now Spain's largest bank, resulted from the merger of Banco Central and Banco Hispano Americano.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
55	•Banco Central Hispanoamer/banking	24,890	737	95,817	6,089	35.12	4.30	4.38	6.0	38.2
87	•Repsol/energy	16,275	675	13,126	9,054	30.18	2.25	2.54	3.2	21.0
143	•Banco Bilbao Vizcaya/banking	11,255	990	92,309	6,914	29.93	4.28	4.54	5.4	29.4
162	•Telefonica[3]/telecomm	10,097	1,639	36,304	10,821	11.67	1.77	0.96	5.0	75.5
206	•Banesto/banking	8,364	504	70,842	2,827	28.63	5.50	4.09	7.1	29.8
240	Iberdrola I/utilities	7,576	645	31,360	6,380	7.69	0.74E	0.82	7.9	15.3
268	•Banco Santander/banking	6,777	684	60,256	5,405	48.59	6.15	6.91	4.9	19.8
271	•Endesa/utilities	6,691	904	14,168[1]	9,546	36.72	3.48	4.12	3.3	15.7
385	Banco Exterior de Espana/banking	4,686	283	41,006	3,611	34.27	3.29E	3.78	4.7	11.7
411	Cepsa/energy	4,299	127	4,187	2,105	23.60	1.26	1.49	4.2	8.5
496	Dragados y Construcciones/construction	3,410	122	3,242	1,230	20.70	2.00	2.03	4.3	15.8

• Sponsored ADR. ■ Non-sponsored ADR. All figures except per-share items are in millions of U.S. dollars. General note: Revenue, net income and 1991 EPS are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. Revenue figures are for group or consolidated operations and exclude excise taxes and duties. For companies with January, February or March fiscal year-ends, 1991 figures are used unless noted. Market value is as of May 29, 1992. [1]Figures are latest available. [3]U.S. GAAP. [5]Combined market value for Royal Dutch Petroleum and Shell Transport & Trading. Price, EPS and yield are only for Royal Dutch Petroleum. [6]Combined market value for Unilever NV and Unilever Plc. Price, EPS and yield are only for Unilever NV. [7]Combined market value for AMEV NV and AG Group. Price, EPS and yield are only for AMEV NV. [8]Revenues are net interest income plus other operating revenues. E: Estimate. NA: Not available. P: Preliminary.

P/E 28 • Yield 3% • Market value $111 billion • Year-to-date price change 11%

The government-dominated Swedish economy is in sharp recession. Unemployment in January was 4.1%, industrial production dropped by 5.3% from 1990 to 1991, and inflation hit a high of 13.3% in 1991. Swedish stock prices lost 1% over the last 12 months.

Swedish corporations are suffering, too. Profits at appliance maker Electrolux fell 52% in 1991 to $67 million on 6% lower revenues. Sales at Skanska, a construction company, fell 12%. But not Volvo. The automaker's sales were down 9% in 1991, but earnings climbed to $135 million, from a $4 million loss in 1990.

Although many Swedes oppose assimilation into the European Community (EC), the Swedish krona was just linked to the European Currency Unit (ECU).

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
118	•Electrolux Group[3]/appliances	13.068	67	11.551	3.441	46.98	0.91	1.76	4.6	134.2
123	•Volvo Group[3]/automobiles	12.769	135	18.515	5.506	72.20	1.80	3.21	3.8	64.4
146	Stora Group/forest products	11.096	84	14.991	3.167	52.34	1.42	0.21	4.2	68.3
198	Skandinaviska Enskilda Bk/banking	8.724	335	81.523	1.820	6.91	1.27	0.85	8.4	10.8
222	Svenska Handelsbanken/banking	8.025	349	74.088	1.567	10.19	2.26	1.80	7.9	7.8
226	Nordbanken Group/banking	7.950	NA	61.229	1.485	3.46	-4.10	-1.35	0.0	6.9
241	•LM Ericsson[3]/elec & electron	7.572	256	8.769	5.266	25.56	1.25	0.48	2.4	68.1
285	Procordia Group/multi-industry	6.342	644	6.131	7.890	31.26	2.54	2.57	1.7	40.7
330	Skanska/construction	5.548	NA	8.857	2.567	20.38	1.57E	1.43	2.8	31.1
341	SCA-Svenska Cellulosa/forest products	5.424	154	7.878	3.439	20.04	0.89	0.67	2.8	32.1
404	•SKF Group[3]/industrial comp	4.349	-193	5.327	2.363	20.38	-1.71	0.52	3.6	45.3
431	Nobel Industries/aero & defense	4.084	55	6.046	1.268	2.68	0.12	0.10	0.0	22.9
474	Trelleborg Group/industrial comp	3.623	41	5.123	1.376	21.25	0.62	0.90	5.3	19.7
482	NCC Group/construction	3.559	0	4.812	223	5.01	0.00	0.48	6.9	21.9

P/E 16 • Yield 2% • Market value $210 billion • Year-to-date price change 8%

Swiss equity prices are almost as high as its mountains. The average stock in our table sells for about $2,500 a share. But since July 1 a new law reduces the minimum statutory par value by 90%—from 100 francs to 10, thus making splits and lower trading prices more likely. Swiss companies are also now required to issue more open financial statements. Swiss businesses are being pinched by Germany's struggling economy. Switzerland's unemployment rate hit 2.6% this April. Crédit Suisse forecasts only a 0.3% growth rate for Switzerland in 1992. On the positive side: Switzerland's annual inflation is under 5%, and its bond yields are the lowest in Europe.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
25	•Nestle/food, household	35.216	1.722	28.860	24.686	6,728.46	468.62	524.75	2.2	200.1
40	•Asea Brown Boveri Group[3]/elec & electron	28.601	581	30.497	10.888[5]	2,972.88	185.50	187.71	2.0	214.4
93	Zurich Insurance Group/insurance	15.203	301	49.348	5.413	2,876.76	222.11E	242.50	1.7	34.0
98	•Ciba-Geigy Group/chemicals	14.700	893	20.981	14.207	2,416.75	156.90	190.32	1.8	92.9
101	Union Bank of Switzerland/banking	14.498	848	183.911	12.298	2,629.59	183.40	50.88	3.5	27.7
116	Swiss Bank/banking	13.110	719	152.564	6.412	185.38	20.36	22.79	5.2	22.5
147	Winterthur Group/insurance	11.095	183	35.802	3.579	2,313.77	96.93	174.18	2.0	19.7
152	Swiss Re Group/insurance	10.836[1]	155[1]	31.640[1]	3.775	1,785.10	89.98E	95.71	1.7	23.3
160	Credit Suisse Group/banking	10.181	591	114.798	5.874	1,355.99	156.90	183.52	3.8	18.5
178	•Sandoz Group/personal care	9.372	777	11.788	14.627	1,997.94	106.70	129.15	1.2	53.4

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Sources: Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; Forbes.

Switzerland

P/E 16 • Yield 2% • Market value $210 billion • Year-to-date price change 8%

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
224	**Roche Group**[4]/personal care	7,985	1,033	18,477	20,889	3,165.12	119.95	135.60	0.6	55.1
331	**Richemont**/bev & tobacco	5,522[1]	328[1]	7,904[1]	11,343	10,865.09	570.44P	NA	0.3	30.9
390	**Sulzer Group**/machinery & eng	4,536	75	5,833	1,231	379.68	24.31	30.68	2.4	33.0
398	**Alusuisse-Lonza Holding**/metals-nonfer	4,416	70	4,443	1,550	348.78	32.78	37.21	2.5	25.1
412	**Baloise Group**/insurance	4,268	73	18,635[1]	1,379	1,565.40	80.89	187.64	1.3	9.3
422	**Holderbank**/bldg materials	4,162	121	7,377	1,808	3,707.52	238.50	259.18	2.2	32.2
424	**Danzas**[2]/services	4,155	10	963	393	6,265.02	158.30	979.95	1.3	16.0
427	**Swissair Group**/airlines	4,145	58	6,575	1,084	532.10	26.50	33.37	2.6	20.3

UNITED KINGDOM

P/E 18 • Yield 5% • Market value $1,070 billion • Year-to-date price change 8%

U.K. stocks continue to prop up the EAFE international equity index. From the U.K. market's low at the end of November 1987 to the end of May this year, Morgan Stanley's U.K. stock index is up 72% in U.S. dollars while the EAFE index gained less than 11%. The bull market following the elections lifted the U.K. market 15%, but prices have since retreated somewhat. The still unfolding Maxwell fiasco isn't exactly a confidence-builder, and the economy remains gripped by a nasty recession. Unemployment is at 9.6%, and GDP declined by another 0.5% in the first quarter of 1992. The good news: Inflation fell from 5.9% in 1991 to a 4.3% annual rate in April.

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
10	•**British Petroleum**/energy	57,682	725	59,469	26,987	5.00	0.14	0.24	8.2	118.1
38	•**Barclays**[3]/banking	29,480	225	262,917	10,993	6.86	0.14	0.38	7.5	111.4
48	•**National Westminster Bank**[3]/banking	27,344	-104	228,678	10,511	6.44	-0.07	0.38	6.6	102.4
61	•**British Telecom**[3]/telecomm	23,135	3,258	35,500	40,501	6.59	0.54	0.64	5.3	219.0
64	•**Imperial Chemical Inds**/chemicals	22,096	959	20,606	17,499	24.61	1.34	1.56	5.5	128.6
74	**British Aerospace**/aero & defense	18,688	249	17,603	2,437	6.46	0.88	0.60	9.4	123.2
76	•**British Gas**[3]/utilities	18,552	2,167	34,860	20,522	4.74	0.51	0.53	7.0	84.5
82	■**General Electric**/elec & electron	17,522[1]	928[1]	9,830[1]	11,112	4.10	0.35E	0.37	5.9	107.4
83	•**Prudential**/insurance	17,494	248	80,120	8,510	4.56	0.12	0.26	5.9	35.0
90	**Lloyds Bank Group**/banking	15,337	632	95,978	10,025	7.98	0.51	0.60	5.1	67.9
92	■**B. A. T Industries**/bev & tobacco	15,286	729	51,762	21,917	14.86	0.50	0.90	5.5	105.9
95	■**J Sainsbury**/retailing	15,084	760	6,680[1]	15,195	8.67	0.43	0.51	2.5	72.9
100	•**Grand Metropolitan**/multi-industry	14,513	1,192	16,100	19,354	9.35	0.60	0.64	3.1	105.0
106	**Midland Group**/banking	14,166	-87	111,134	5,987	7.63	-0.11	0.37	1.1	57.6
112	•**Tesco**/retailing	13,244	690	7,308	9,796	5.05	0.35	0.40	3.0	59.8
132	•**BTR**/multi-industry	11,929	980	15,016	17,227	8.86	0.55	0.57	4.6	105.0
159	•**Hanson**/multi-industry	10,215	1,876	29,062	20,621	4.28	0.40	0.37	6.3	70.0
164	•**Marks & Spencer**/retailing	10,049	698	7,469	16,994	6.24	0.28	0.33	2.8	48.2
167	**Royal Insurance Holdings**/insurance	9,755	-731	32,416[1]	2,077	4.28	-1.50	-0.60	6.4	26.8
182	•**British Steel**/metals-steel	9,315[1]	357[1]	10,821[1]	2,909	1.46	-0.11E	-0.90	14.7	57.5
191	•**British Airways**[3]/airlines	9,062	493	8,969	3,859	5.34	0.68	0.60	4.7	50.4
201	•**Peninsular & Oriental**/shipping	8,665	258	9,946	5,269	9.40	0.55	0.62	7.9	70.1
209	**ASDA Group**/retailing	8,299	219	4,889	1,346	0.60	0.04E	0.06	15.2	44.1
210	•**SmithKline Beecham**[3]/personal care	8,290	839	13,987	21,241	16.74	0.64	0.99	2.4	54.0
215	•**Hillsdown Holdings**/food, household	8,240	216	4,226	2,237	3.28	0.37	0.38	6.5	48.7

• Sponsored ADR. ■ Non-sponsored ADR. All figures except per-share items are in millions of U.S. dollars. General note: Revenue, net income and 1991 EPS are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. Revenue figures are for group or consolidated operations and exclude excise taxes and duties. For companies with January, February or March fiscal year-ends, 1991 figures are used unless noted. Market value is as of May 29, 1992. [1]Figures are latest available. [2]Not fully consolidated. [3]U.S. GAAP. [4]International accounting standards. E: Estimate. NA: Not available. P: Preliminary.

Sources: Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; Forbes.

United Kingdom

P/E 18 • Yield 5% • Market value $1,070 billion • Year-to-date price change 8%

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
216	Argyll Group/retailing	8,203	591	4,799	7,201	6.50	0.42	0.49	3.7	43.6
218	•National Power/utilities	8,153	NA	6,699[1]	5,504	4.32	0.50	0.60	3.3	11.3
228	Sun Alliance Group/insurance	7,942	-835	29,384	4,430	5.54	-1.04	-0.40	6.3	19.5[2]
237	•Allied-Lyons/bev & tobacco	7,685	659	10,873	10,694	12.20	0.75	0.95	4.0	78.7
239	Genl Accident Fire & Life/insurance	7,619	-247	19,500	3,728	8.60	-0.39	-0.24	7.6	14.7[2]
242	Commercial Union Assur/insurance	7,572	-116	37,839	3,963	8.98	-0.27	-0.09	6.4	21.8
246	Legal & General Group/insurance	7,497	58	36,265	3,515	7.26	0.12	0.22	6.3	8.8[2]
254	•Saatchi & Saatchi[3]/services	7,189	-276	3,023	602	0.38	-0.25	NA	0.0	13.3
258	•Royal Bk of Scotland[3]/banking	7,017	24	57,243	2,807	3.62	0.04	0.15	5.9	24.6
265	Dalgety/food, household	6,853	152	1,571	1,767	7.76	0.67	0.70	5.8	16.8
270	▪Ladbroke Group/leisure	6,699	272	9,339	4,732	4.37	0.28	0.29	6.2	53.4
272	•Bass[3]/bev & tobacco	6,683	342	10,126	10,024	11.54	0.87	0.88	3.8	90.1
276	Guardian Royal Exchange/insurance	6,554	-326	21,504	2,293	2.65	-0.37	-0.17	6.4	15.5
278	Inchcape/trading	6,441	191	3,693	4,583	9.15	0.50	0.57	3.3	36.8
281	▪Associated British Foods/food, household	6,361	398	4,849	3,615	8.07	0.89	0.86	3.9	52.3
284	▪Boots/retailing	6,349	456	4,676	9,111	8.82	0.45	0.51	3.3	83.7
287	•Glaxo Holdings/personal care	6,306	1,693	9,314	42,696	14.22	0.56	0.62	2.4	35.6
288	•RTZ/metals-nonfer	6,285	545	10,723	11,462	11.45	0.55	0.71	4.2	47.6
292	•Rolls-Royce/aero & defense	6,219	42	5,678	2,907	3.02	0.04	0.15	5.9	61.4
293	•Thorn Emi/appliances	6,219	277	5,315	4,828	15.28	0.85	1.06	4.9	53.8
296	BICC Group/industrial comp	6,108	51	3,842	1,826	6.59	0.19	0.48	7.1	41.9
300	•Trafalgar House/multi-industry	6,083	141	5,534	1,725	2.56	0.25	0.22	13.4	32.1
305	•Kingfisher/retailing	5,962	292	3,865	4,941	10.23	0.62	0.62	3.0	37.5
311	•Tate & Lyle Group/food, household	5,837	236	3,703	2,472	7.17	0.72	0.62	3.9	16.2
313	•Booker/multi-industry	5,819	134	2,159	1,829	8.60	0.64	0.71	6.2	25.6
320	•Cadbury Schweppes[3]/food, household	5,719	293	5,973	6,269	8.51	0.42	0.55	3.6	35.4
321	•Tarmac/bldg materials	5,715	23	5,321	1,905	2.51	0.30	0.11	5.3	31.7
333	•Cable and Wireless[3]/telecomm	5,509	477	8,946	11,353	10.52	0.43	0.68	2.9	39.0
340	▪Lonrho Group/multi-industry	5,433	167	6,433	1,115	1.70	0.25	0.15	14.4	113.1
351	•Powergen/utilities	5,221	420	5,285	3,502	4.48	0.54	0.64	4.7	7.8
355	•Guinness/bev & tobacco	5,206	1,111	14,126	21,391	10.96	0.62	0.70	2.4	24.8
357	•BET/multi-industry	5,157[1]	253[1]	3,237[1]	1,954	2.62	0.17E	0.22	12.4	124.1
367	RMC Group/bldg materials	4,951	124	3,788	2,344	11.51	0.64	0.68	4.2	26.0
369	▪BOC Group/chemicals	4,927	350	5,499	5,894	12.50	0.74	0.88	4.0	40.0
382	•United Biscuits/food, household	4,707	255	3,075	3,545	7.36	0.55	0.57	5.1	40.2
386	Forte/leisure	4,680	83	8,623	3,577	4.37	0.11	0.20	5.5	92.9
387	▪Great Universal Stores/retailing	4,662[1]	532[1]	6,380[1]	6,823	27.61	2.18E	2.31	3.4	30.5
391	Pilkington/misc materials	4,529	47	5,141[1]	2,097	2.69	0.02	0.11	9.5	56.1
399	Arjo Wiggins Appleton/forest products	4,400	257	4,160	3,853	4.76	0.32	0.31	4.3	19.0
403	Lucas Industries/industrial comp	4,359	92	3,489	1,822	2.60	0.13	0.04	6.6	54.9
405	Standard Chartered Group/banking	4,343	183	43,905	2,119	9.06	0.78	1.13	5.4	28.0
423	•Burmah Castrol/energy	4,158	143	3,204	2,113	11.58	0.76	0.86	5.1	24.2
428	AMEC/construction	4,137	-37	2,191	605	3.00	-0.21	0.20	8.4	30.1
460	▪Whitbread/bev & tobacco	3,818	279	7,168[1]	3,858	8.64	0.63	0.77	4.8	65.6
463	▪Sears/retailing	3,799[1]	206[1]	4,096[1]	2,602	1.72	0.07E	0.09	7.5	51.1
466	•Rank Organisation/leisure	3,784	212	5,463	4,243	13.72	0.66	0.88	5.5	29.7
472	W H Smith Group/retailing	3,669	106	1,521	2,289	8.69	0.54E	0.59	3.6	30.1
487	Reckitt & Colman/food, household	3,516	276	3,111	4,374	11.71	0.74	0.84	3.1	23.0
492	•Coats Viyella/textile apparel	3,447	103	2,911	2,237	3.90	0.18	0.24	4.4	61.1
497	▪GKN/machinery & eng	3,407	65	3,124	2,043	7.87	0.25	0.35	6.4	31.4

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The rest of the world

This year a company had to have at least $3.4 billion in revenues to make the Forbes International 500. Japan has 195 public companies that were large enough to qualify for this report. In contrast, the following ten nations have only a handful of such large companies. It is unlikely that small European countries such as Denmark or Finland will ever make much of a contribution to our list of giant international corporations. By the same token, Panama, which contributed but a single international 500 entry, will also remain a minor player. But in the years ahead, rapidly developing nations such as Brazil and Mexico will undoubtedly corner a larger chunk of the world's industrial output. For example, last year there were only six Korean stocks in our international survey. This year, ten Korean-based corporations were able to qualify *(see p. 264).*

Europe

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
Austria										
304	OMV/energy	5,966	122	6,080	1,893	78.87	5.05	4.32	2.2	13.4
376	Creditanstalt/banking	4,766	52	56,611	2,195	50.84	3.60	3.94	2.6	11.5
Denmark										
380	Unidanmark Group/banking	4,735	-259	44,482	1,467	31.68	-5.60	1.58	5.1	12.8
Finland										
257	Kesko Group/trading	7,047	26	3,478	641	7.11	0.88	0.53	3.9	8.0
334	Repola[4]/multi-industry	5,507	-365	8,430	1,540	10.32	-2.71	-0.44	1.4	33.4
402	Unitas Group/banking	4,363	-56	36,438	732	3.14	-0.18	-0.12	1.5	9.0
459	•Nokia[4]/multi-industry	3,822	-149	4,876	1,129	18.34	-2.37	-0.39	2.5	29.2
Norway										
175	•Norsk Hydro[3]/energy	9,475	-77	13,354	5,804	28.26	-0.37	1.13	2.0	35.0

• Sponsored ADR. ▪ Non-sponsored ADR. All figures except per-share items are in millions of U.S. dollars. General note: Revenue, net income and 1991 EPS are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. Revenue figures are for group or consolidated operations and exclude excise taxes and duties. For companies with January, February or March fiscal year-ends, 1991 figures are used unless noted. Market value is as of May 29, 1992. [3]U.S. GAAP. [4]International accounting standards.

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Far East

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
Hong Kong										
253	•Jardine Matheson Holdings[4]/multi-inds	7,190	271	7,248	5,170	7.81	0.51	0.58	2.1	36.0
388	•Dairy Farm International/retailing	4,619	147	1,803	2,703	1.65	0.09	0.11	2.8	35.8
408	▪Swire Pacific/multi-industry	4,320	396	10,208	7,483	4.71	0.25	0.30	7.4	30.0
New Zealand										
255	•Fletcher Challenge/forest products	7,184	380	10,945	2,866	2.00	0.29	0.10	6.0	35.0
493	▪Brierley Investments/multi-industry	3,424	127	6,909	1,329	0.53	0.05	0.06	8.1	20.0

Central & South America

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
Brazil										
37	Banco do Brasil/banking	29,889	662	69,712	1,070	0.08	0.06	NA	2.7	114.6
67	Banespa Group/banking	20,795	243	13,414	168	0.01	0.01	NA	7.6	37.1
120	Petrobras/energy	12,956	-619	18,052	3,724	2.63	-0.62	NA	0.0	53.9
140	Banco Bradesco Group/banking	11,333	428	9,689	2,233	0.05	0.01	NA	0.9	75.1
189	Banco Itau Group/banking	9,084	392	8,004	171	26.61	6.38	NA	1.1	49.4
302	Bamerindus Group/banking	6,049	83	5,007	392	0.03	0.01	NA	1.3	45.7
358	Unibanco Group/banking	5,154	125	4,517	320	0.07	0.05	NA	4.5	21.1
Mexico										
343	▪Telefonos de Mexico/telecomm	5,391	2,314	12,182	30,117	2.84	0.22	NA	0.8	63.6
Panama										
484	McDermott International[3]/energy equip	3,524	81	3,126	1,283	25.13	1.75	1.15	4.0	29.5

Africa

1991 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1991 ($)	EPS 1992E ($)	Yield (%)	Employees (thou)
South Africa										
139	▪Barlow Rand Group/multi-industry	11,389	300	6,791	3,999	20.93	1.60	1.69	2.9	150.9
316	▪So African Breweries/bev & tobacco	5,776	272	4,117	579	21.06	1.03	1.24	2.2	89.5

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WHERE TO FIND THE FORBES FOREIGN 500

Company/industry	Rank	Page
ABN-Amro Holding NV/Netherlands	301	266
Accor SA/France	444	252
Aegon Insurance Group/Netherlands	250	266
AGF-Assur Generales de France/France	148	252
AGIV-Aktiengesellschaft fuer/Germany	478	256
Ahold/Netherlands	145	266
Aisin Seiki Co Ltd/Japan	339	263
Ajinomoto Co/Japan	363	263
Akzo Group/Netherlands	192	266
Alcan Aluminium Ltd/Canada	236	251
Alcatel Alsthom/France	42	252
Alitalia Group/Italy	381	257
All Nippon Airways/Japan	274	262
Allianz AG Holding/Germany	57	256
Allied-Lyons Plc/UK	237	270
Alps Electric Co Ltd/Japan	489	264
Alusuisse-Lonza Holding/Switzerland	398	268
AMEC Plc/UK	428	270
Arbed SA/Belgium	315	250
Argyll Group Plc/UK	216	268
Arjo Wiggins Appleton/UK	399	270
Asahi Breweries Ltd/Japan	429	263
Asahi Chemical Industry/Japan	166	258
Asahi Glass Co Ltd/Japan	185	262
ASDA Group Plc/UK	209	268
Asea Brown Boveri Group/Switzerland	40	267
ASKO Group/Germany	269	256
Associated British Foods Plc/UK	281	270
Australia & New Zealand Banking/Australia	173	250
B. A. T Industries/UK	92	268
Baloise Group/Switzerland	412	268
Bamerindus Group/Brazil	302	273
Banca Commerciale Italiana/Italy	165	257
Banco Bilbao Vizcaya/Spain	143	266
Banco Bradesco Group/Brazil	140	273
Banco Central Hispanoamericano/Spain	55	266
Banco di Roma/Italy	324	257
Banco do Brasil/Brazil	37	273
Banco Exterior de Espana/Spain	385	266
Banco Itau Group/Brazil	189	273
Banco Santander Group/Spain	268	266
Banespa Group/Brazil	67	273
Banesto/Spain	206	266
Bank Bruxelles Lambert/Belgium	243	250
Bank of Montreal/Canada	200	251
Bank of Nova Scotia/Canada	219	251
Bank of Tokyo Ltd/Japan	71	258
Bank of Yokohama Ltd/Japan	262	262
Banque Nationale de Paris/France	45	252
Barclays Plc/UK	38	268

Company/industry	Rank	Page
Barlow Rand Group/South Africa	139	273
BASF Group/Germany	47	256
Bass Plc/UK	272	270
Bayer Group Worldwide/Germany	51	256
Bayerische Hypotheken/Germany	188	256
Bayerische Vereinsbank/Germany	151	256
BCE Inc/Canada	84	251
BET Plc/UK	357	270
BICC Group/UK	296	270
BMW-Bayerische Motoren Werke/Germany	79	256
BOC Group Plc/UK	369	270
Booker Plc/UK	313	270
Boots Co Plc/UK	284	270
Bouygues/France	137	252
Bridgestone Corporation/Japan	117	258
Brierley Investments/New Zealand	493	273
British Aerospace/UK	74	268
British Airways Plc/UK	191	268
British Gas Plc/UK	76	268
British Petroleum Co/UK	10	268
British Steel Plc/UK	182	268
British Telecommunications/UK	61	268
Broken Hill Proprietary/Australia	128	250
BSN-Groupe/France	135	252
BTR Plc/UK	132	268
Groupe Bull/France	307	252
Burmah Castrol Plc/UK	423	270
Cable and Wireless/UK	333	270
Cadbury Schweppes/UK	320	270
Canadian Imperial Bank of Commerce/Canada	144	251
Canadian Pacific Ltd/Canada	196	251
Canon Inc/Japan	107	258
Carrefour/France	80	252
Casino Groupe/France	244	252
Cepsa-Cia Espanola de Petroleos/Spain	411	266
Chiba Bank/Japan	425	263
Chori Co Ltd/Japan	347	263
Chubu Electric Power/Japan	102	258
Chugoku Electric Power/Japan	282	262
Chuo Trust & Banking/Japan	469	264
Ciba-Geigy Group/Switzerland	98	267
CMB Packaging/France	392	252
Coats Viyella Plc/UK	492	270
Cockerill Sambre SA/Belgium	362	250
Coles Myer Ltd/Australia	136	250
Commercial Union Assurance/UK	242	270
Commerzbank/Germany	133	256
Commonwealth Bank Group/Australia	207	250
Comptoirs Modernes SA/France	470	252
Continental Group/Germany	323	256

WHERE TO FIND THE FORBES FOREIGN 500

Company/industry	Rank	Page
Cosmo Oil Co Ltd/Japan	111	258
CRA Ltd/Australia	455	250
Credit Commercial de France/France	264	252
Credit Foncier de France/France	277	252
Credit Lyonnais Group/France	16	251
Credit Suisse Group/Switzerland	160	267
Creditanstalt-Bankverein/Austria	376	272
Credito Italiano SpA/Italy	233	257
CSR Limited/Australia	480	250
Dai Nippon Printing/Japan	211	262
Dai-Ichi Kangyo Bank/Japan	32	258
Daiei Inc/Japan	73	258
Daihatsu Motor Co/Japan	275	262
Daikin Industries/Japan	499	264
Daikyo/Japan	348	263
Daimaru/Japan	298	262
Daimler-Benz Group/Germany	11	256
Dainippon Ink & Chemicals/Japan	263	262
Dairy Farm International Holdings Ltd/Hong Kong	388	273
Daiwa Bank Ltd/Japan	153	258
Daiwa House Industry/Japan	318	262
Daiwa Securities Co/Japan	377	263
Dalgety Plc/UK	265	270
Danzas AG/Switzerland	424	268
Degussa AG/Germany	217	256
Delhaize "Le Lion" Group/Belgium	190	250
Deutsche Babcock Group/Germany	395	256
Deutsche Bank Group/Germany	53	256
Deutsche Lufthansa/Germany	169	256
Docks de France/France	353	252
Dragados y Construcciones SA/Spain	496	266
Dresdner Bank/Germany	91	256
NV DSM/Netherlands	365	266
Electrabel SA/Belgium	329	250
Electrolux Group/Sweden	118	267
Elf Aquitaine Group/France	23	251
Endesa/Spain	271	266
LM Ericsson Telefonaktiebolaget/Sweden	241	267
Ferruzzi/Montedison Group/Italy	103	257
Fiat Group/Italy	17	257
Fletcher Challenge/New Zealand	255	273
Forte Plc/UK	386	270
Fortis Group/Netherlands	186	266
Foster's Brewing Group/Australia	345	250
Fuji Bank Ltd/Japan	34	258
Fuji Electric Co Ltd/Japan	266	262
Fuji Heavy Industries/Japan	234	262
Fuji Photo Film/Japan	213	262
Fujita Corp/Japan	283	262
Fujitsu Ltd/Japan	50	258

Company/industry	Rank	Page
Furukawa Electric/Japan	322	262
GAN-Groupe des Assur Nationales/France	69	252
General Accident, Fire & Life/UK	239	270
General Electric Company/UK	82	268
General Sekiyu Group/Japan	448	263
Generale Bank Group/Belgium	214	250
Generale des Eaux Groupe/France	59	252
Generali Group/Italy	127	257
George Weston Ltd/Canada	177	251
GIB Group/Belgium	286	250
GKN Plc/UK	497	270
Glaxo Holdings Plc/UK	287	270
Goldstar Co Ltd/Korea	364	264
Grand Metropolitan/UK	100	268
Great Universal Stores/UK	387	270
Great-West Lifeco/Canada	366	251
GTM-Entrepose/France	375	252
Guardian Royal Exchange/UK	276	270
Guinness Plc/UK	355	270
Hachette Group/France	344	252
Hanson Plc/UK	159	268
Hanwa Company Ltd/Japan	335	263
Haseko Corp/Japan	446	263
Groupe Havas/France	383	252
Hazama Corp/Japan	361	263
Heineken NV/Netherlands	435	266
Henkel Group/Germany	235	256
Hillsdown Holdings/UK	215	268
Hino Motors Ltd/Japan	374	263
Hitachi Ltd/Japan	9	257
Hoechst Group/Germany	41	256
Hoesch Group/Germany	299	256
Hokkaido Takushoku Bank/Japan	312	262
Holderbank Financiere Glaris/Switzerland	422	268
Philipp Holzmann AG/Germany	342	256
Honda Motor Co Ltd/Japan	29	258
Honshu Paper Co Ltd/Japan	495	264
Hoogovens Groep/Netherlands	406	266
Hudson's Bay Company/Canada	400	251
Hyundai Corp/Korea	122	264
Hyundai Engineering & Construction/Korea	317	264
Hyundai Motor Co/Korea	208	264
Hyundai Motor Service/Korea	462	264
Iberdrola I/Spain	240	266
Imasco Ltd/Canada	259	251
Imperial Chemical Industries/UK	64	268
Imperial Oil Ltd/Canada	252	251
Inchcape Plc/UK	278	270
Industrial Bank of Japan/Japan	58	258
Internationale Nederlanden Group/Netherlands	56	266

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Isetan Co Ltd/Japan	452	263
Ishikawajima-Harima Heavy Inds/Japan	230	262
Isuzu Motors Ltd/Japan	142	258
Ito Yokado Co Ltd/Japan	65	258
C Itoh & Company Ltd/Japan	1	257
Itoman Corp/Japan	325	262
Iwatani International Corp/Japan	446	263
Japan Air Lines/Japan	171	258
Jardine Matheson Holdings/Hong Kong	253	273
Joyo Bank/Japan	451	263
Jujo Paper Company Ltd/Japan	434	263
Jusco Co Ltd/Japan	155	258
Kajima Corp/Japan	86	258
Kandenko Co Ltd/Japan	498	264
Kanebo Ltd/Japan	359	263
Kanematsu Corp/Japan	19	257
Kansai Electric Power/Japan	81	258
Kao Corporation/Japan	338	263
Karstadt Group/Germany	156	256
Kaufhof/Germany	180	256
Kawasaki Heavy Industries/Japan	223	262
Kawasaki Kisen Kaisha Ltd/Japan	490	264
Kawasaki Steel Corp/Japan	183	262
Kawasho Corp/Japan	125	258
Kesko Group/Finland	257	272
Kingfisher Plc/UK	305	270
Kinki Nippon Railway/Japan	295	262
Kirin Brewery Co Ltd/Japan	297	262
KLM Royal Dutch Airlines/Netherlands	419	266
Klockner-Werke Group/Germany	410	256
Kobe Steel Ltd/Japan	157	258
Komatsu Ltd/Japan	261	262
Konica Corp/Japan	456	264
Korea Electric Power Corp/Korea	256	264
Kredietbank NV/Belgium	303	250
Kubota Corp/Japan	266	262
Kumagai Gumi Co Ltd/Japan	168	258
Kyocera Corp/Japan	500	264
Kyowa Saitama Bank Ltd/Japan	94	258
Kyushu Electric Power/Japan	212	262
L'Air Liquide Group/France	326	252
L'Oreal Group/France	308	252
John Labatt Ltd/Canada	430	251
Ladbroke Group Plc/UK	270	270
Lafarge Coppee/France	327	252
Legal & General Group/UK	246	270
Linde AG/Germany	421	256
Lloyds Bank Group/UK	90	268
Long-Term Credit Bank of Japan/Japan	85	258
Lonrho Group/UK	340	270
Lucas Industries Plc/UK	403	270
Lucky Goldstar International/Korea	371	264
LVMH Group/France	450	252
Lyonnaise des Eaux-Dumez Group/France	89	252
M A N Group/Germany	131	256
Mannesmann Group/Germany	99	256
Marks & Spencer/UK	164	268
Marubeni Corp/Japan	3	257
Maruti Co Ltd/Japan	396	263
Matra/France	438	252
Matsushita Electric Industrial/Japan	12	257
Matsushita Electric Works/Japan	225	262
Matsuzakaya Co Ltd/Japan	397	263
Mazda Motor Corp/Japan	70	258
McDermott International/Panama	484	273
Metallgesellschaft/Germany	119	256
Michelin Group/France	130	252
Midland Group/UK	106	268
Mitsubishi Bank Ltd/Japan	46	258
Mitsubishi Corp/Japan	4	257
Mitsubishi Electric Corp/Japan	54	258
Mitsubishi Heavy Industries/Japan	66	258
Mitsubishi Kasei Corp/Japan	194	262
Mitsubishi Materials Corp/Japan	197	262
Mitsubishi Motors Corp/Japan	60	258
Mitsubishi Oil Co/Japan	232	262
Mitsubishi Petrochemical Co Ltd/Japan	445	263
Mitsubishi Trust & Banking/Japan	149	258
Mitsui & Co Ltd/Japan	5	257
Mitsui Construction/Japan	483	264
Mitsui Fudosan/Japan	195	262
Mitsui Marine & Fire Insurance Co/Japan	407	263
Mitsui Mining & Smelting Co Ltd/Japan	475	264
Mitsui O.S.K. Lines Ltd/Japan	416	263
Mitsui Toatsu Chemicals/Japan	471	264
Mitsui Trust & Banking/Japan	176	262
Mitsukoshi Ltd/Japan	205	262
Munchener Ruckversicherungs/Germany	184	256
Nagase & Co Ltd/Japan	413	263
National Australia Bank Group/Australia	187	250
National Bank of Canada/Canada	473	251
National Power/UK	218	268
National Westminster Bank Group/UK	48	268
NCC Group/Sweden	482	267
NEC Corp/Japan	44	258
Nestle/Switzerland	25	267
News Corporation Ltd/Australia	202	250
Nichii Co Ltd/Japan	174	262
Nichimen Corp/Japan	18	257
Nichirei Corp/Japan	476	264

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Nintendo Co Ltd/Japan	415	263
Nippon Credit Bank/Japan	158	258
Nippon Express Co/Japan	115	258
Nippon Light Metal/Japan	393	263
Nippon Meat Packers/Japan	356	263
Nippon Mining Co Ltd/Japan	231	262
Nippon Oil Co Ltd/Japan	68	258
Nippon Steel Corp/Japan	62	258
Nippon Suisan Kaisha Ltd/Japan	467	264
Nippon Telegraph & Telephone/Japan	15	257
Nippon Yusen KK/Japan	306	262
Nippondenso Co Ltd/Japan	150	258
Nishimatsu Construction/Japan	449	263
Nissan Motor Co Ltd/Japan	14	257
Nissan Shatai Co Ltd/Japan	468	264
Nissho Iwai Corp/Japan	7	257
NKK Corp/Japan	108	258
Nobel Industries Sweden/Sweden	431	267
Oy Nokia Ab/Finland	459	272
Nomura Securities Co Ltd/Japan	373	263
Noranda/Canada	248	251
Nordbanken Group/Sweden	226	267
Norsk Hydro/Norway	175	272
Obayashi Corp/Japan	172	262
OCP-Office Commercial Pharmaceutique/France	370	252
Oji Paper Co Ltd/Japan	368	263
Oki Electric Industry/Japan	360	263
Okura & Co Ltd/Japan	441	263
Olivetti Group/Italy	260	257
OMV AG/Austria	304	272
Osaka Gas Co Ltd/Japan	394	263
Osaka Uoichiba/Japan	486	264
Oshawa Group Ltd/Canada	436	251
Pacific Dunlop Ltd/Australia	454	250
Paribas Group/France	72	252
Pechiney/France	114	252
Peninsular & Oriental Steam/UK	201	268
Petro-Canada/Canada	418	251
Petrobras-Petroleo Brasileiro/Brazil	120	273
Petrofina SA/Belgium	124	250
Peugeot Groupe SA/France	42	252
Philips Group/Netherlands	35	266
Pilkington Plc/UK	391	270
Pinault/France	279	252
Pioneer Electronic Corp/Japan	389	263
Pioneer International/Australia	414	250
Pirelli Group/Italy	204	257
Pohang Iron and Steel Co Ltd/Korea	227	264
Powergen/UK	351	270
Preussag Group/Germany	88	256
Groupe Printemps/France	336	252
Pro·ordia/Sweden	285	267
Promodes Group/France	109	252
Prudential Corporation Plc/UK	83	268
Rank Organisation PLC/UK	466	270
Reckitt & Colman Plc/UK	487	270
Repola Ltd/Finland	334	272
Repsol SA/Spain	87	266
Rhone-Poulenc Group/France	97	252
Cie Financiere Richemont/Switzerland	331	268
Ricoh Co Ltd/Japan	238	262
RMC Group Plc/UK	367	270
Roche Group/Switzerland	224	268
Rolls-Royce Plc/UK	292	270
Royal Bank of Canada/Canada	129	251
Royal Bank of Scotland Group/UK	258	270
Royal Dutch/Shell Group/Netherlands	6	266
Royal Insurance Holdings/UK	167	268
Royal Nedlloyd Group/Netherlands	477	266
Royal Trustco Ltd/Canada	443	251
RTZ Corporation Plc/UK	288	270
RWE Group/Germany	33	256
Saatchi & Saatchi Co/UK	254	270
J Sainsbury Plc/UK	95	268
Saint-Gobain/France	110	252
Sakura Bank/Japan	36	258
Sandoz Group/Switzerland	178	267
Sanwa Bank Ltd/Japan	31	258
Sanyo Electric Co/Japan	134	258
Sato Kogyo Co Ltd/Japan	461	264
SCA-Svenska Cellulosa/Sweden	341	267
Schering Group/Germany	458	256
Schlumberger Ltd/Netherlands	294	266
Schneider SA/France	154	252
Seagram Co Ltd/Canada	350	251
Sears Canada/Canada	481	251
Sears Plc/UK	463	270
Seibu Railway Co Ltd/Japan	488	264
Seiyu Ltd/Japan	161	258
Sekisui Chemical Co/Japan	318	262
Sekisui House Ltd/Japan	203	262
Sharp Corp/Japan	138	258
Shimizu Corp/Japan	105	258
Shinsho Corp/Japan	409	263
Shiseido Co Ltd/Japan	426	263
Shizuoka Bank/Japan	479	264
Showa Denko KK/Japan	378	263
Siemens Group/Germany	21	256
Skandinaviska Enskilda Banken/Sweden	198	267
Skanska AB/Sweden	330	267

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SKF Group/Sweden	404	267
SME-Soc Meridionale Finanziaria/Italy	384	257
W H Smith Group Plc/UK	472	270
SmithKline Beecham Plc/UK	210	268
Snow Brand Milk Products/Japan	251	262
Societe Generale Group/France	49	252
Solvay Group/Belgium	247	250
Sony Corp/Japan	39	258
South African Breweries/South Africa	316	273
Ssangyong Group/Korea	126	264
Standard Chartered Group/UK	405	270
STET-Soc Finanziaria Telefonica/Italy	77	257
Stora Group/Sweden	146	267
Suez Group/France	28	251
Sulzer Group/Switzerland	390	268
Sumitomo Bank Ltd/Japan	30	258
Sumitomo Chemical Co Ltd/Japan	220	262
Sumitomo Corp/Japan	2	257
Sumitomo Electric Industries/Japan	199	262
Sumitomo Forestry Co Ltd/Japan	442	263
Sumitomo Marine & Fire Insurance Co/Japan	465	264
Sumitomo Metal Industries/Japan	121	258
Sumitomo Metal Mining/Japan	433	263
Sumitomo Rubber Industries/Japan	417	263
Sumitomo Trust & Banking/Japan	141	258
Sun Alliance Group/UK	228	268
Suzuki Motor Corp/Japan	179	262
Svenska Handelsbanken/Sweden	222	267
Swire Pacific/Hong Kong	408	273
Swiss Bank Corp/Switzerland	116	267
Swiss Re Group/Switzerland	152	267
Swissair Group/Switzerland	427	268
Taisei Corp/Japan	113	258
Taiyo Fishery Co Ltd/Japan	229	262
Takashimaya Co Ltd/Japan	163	258
Takeda Chemical Industries/Japan	349	263
Tarmac Plc/UK	321	270
Tate & Lyle Group/UK	311	270
TDK Corp/Japan	440	263
Teijin Ltd/Japan	379	263
Telefonica/Spain	162	266
Telefonos de Mexico SA/Mexico	343	273
Tesco Plc/UK	112	268
Thomson Corp/Canada	328	251
Thomson CSF SA/France	291	252
Thorn Emi Plc/UK	293	270
Thyssen Group/Germany	63	256
TNT Ltd/Australia	464	250
Toda Corp/Japan	354	263
Tohoku Electric Power/Japan	181	262
Tokai Bank Ltd/Japan	78	258
Tokio Marine & Fire Insurance/Japan	221	262
Tokyo Electric Power Co/Japan	26	258
Tokyo Gas Co Ltd/Japan	332	263
Tokyu Construction/Japan	439	263
Tokyu Department Store/Japan	420	263
Tomen Corp/Japan	13	257
Tonen Corp/Japan	309	262
Toppan Printing Co/Japan	245	262
Toray Industries/Japan	249	262
Toronto-Dominion Bank/Canada	289	251
Toshiba Corp/Japan	24	258
Toshoku Ltd/Japan	273	262
Total Group/France	52	252
Toyo Sash Co Ltd/Japan	494	264
Toyo Seikan Kaisha Ltd/Japan	346	263
Toyo Trust & Banking/Japan	290	262
Toyobo Co Ltd/Japan	453	264
Toyoda Automatic Loom Works Ltd/Japan	401	263
Toyota Auto Body/Japan	491	264
Toyota Motor Corp/Japan	8	257
Toyota Tsusho Corp/Japan	96	258
Trafalgar House Plc/UK	300	270
Trelleborg Group/Sweden	474	267
UAP-Union des Assurances de Paris/France	75	252
Ube Industries Ltd/Japan	372	263
Unibanco Group/Brazil	358	273
Unidanmark Group/Denmark	380	272
Unilever/Netherlands	22	266
Union Bank of Switzerland/Switzerland	101	267
Unitas Group/Finland	402	272
United Biscuits (Holdings)/UK	382	270
Univa Inc/Canada	310	251
UNY Co Ltd/Japan	314	262
Valeo/France	485	252
VEBA Group/Germany	27	256
VEW-Vereinigte Elektrizitatswerke/Germany	432	256
VIAG Group/Germany	104	256
Volkswagen Group/Germany	20	256
Volvo Group/Sweden	123	267
Westpac Banking Group/Australia	170	250
Whitbread Plc/UK	460	270
Winterthur Group/Switzerland	147	267
Yamaha Corp/Japan	457	264
Yamaha Motor Co Ltd/Japan	352	263
Yamazaki Baking Co Ltd/Japan	437	263
Yasuda Fire & Marine Insurance/Japan	280	262
Yasuda Trust & Banking/Japan	193	262
Yukong Ltd/Korea	337	264
Zurich Insurance Group/Switzerland	93	267

Long horizon investing

Interested in parking some of your portfolio abroad? This compilation of growth companies should furnish some intriguing leads. These names tumble out of a computer when we hunt for foreign companies that score well in several criteria pointing to long term potential. Among the criteria: a high rate of reinvestment in the business, a strong balance sheet, and good cash flow.

These 100 stocks were selected from a database of 900 foreign industrials by Thomas Nourse, a San Diego-based investment consultant who has been featured on these pages before. Nourse likes companies that generate loose cash they can reinvest for long term growth. His last appearance here (FORBES, *Apr. 27*) featured U.S. firms that spend heavily on research and development and new plant and equipment while not spending much on debt service, overhead or dividends.

Nourse's analysis of overseas stock markets uses similar criteria but adds two more: good price momentum and low volatility. To make the list below, a stock had to be fairly stable and perform well against its home country market index over the past 5 and 17 months. Why? Nourse doesn't want to get on board when other investors are bailing out. Price weakness may be symptomatic of some deterioration in the business that hasn't yet shown up in the reported numbers.

One company that makes the cut is Bobst S.A., a Swiss manufacturer of printing and packaging machinery. The stock recently traded in Switzerland at 3,500 Swiss francs, or $2,403. At that price, the company is going for 13 times fiscal earnings and 7 times cash flow. Bobst's long-term debt is an extremely conservative 4% of assets, and the company is paying out only 26% of its earnings as dividends.

Some of the names below, such as BMW Bayerische Motoren Werke, are very familiar. Most are not, so you'd better be prepared for high transaction costs if you want to get into them. If liquidity is important to you, do your shopping from the list that begins on page 302. Those are large foreign companies with American Depositary Receipts.

Morgan Stanley Capital International Perspective provided the data for this table. Earnings estimates are from the Institutional Brokers Estimate System.

Company/industry	Country	Recent price ($)	EPS 1991 ($)	EPS 1992E ($)	P/E	Price/ cash flow	Yield (%)	Revenue ($mil)	Market value ($mil)
Ahold/retailing	Netherlands	47.95	2.87	3.45	16.7	6.8	1.9	11,120	2,389
Allied Colloids Group/chemicals	UK	3.92	0.21	0.24	18.4	14.9	2.2	441	1,015
Allied-Lyons/bev & tobacco	UK	12.20	0.75	0.95	16.3	10.0	4.0	7,685	10,694
Argyll Group/retailing	UK	6.50	0.42	0.49	15.5	12.6	3.7	8,203	7,201
Atlas Copco/machinery & eng	Sweden	57.69	2.37	3.28	24.3	12.8	2.4	2,485	2,026
Bass/bev & tobacco	UK	11.54	0.87	0.88	13.3	13.5	3.8	6,683	10,024
BMW-Bayerische Motor/automobiles	Germany	381.34	26.31	36.39	14.5	4.3	3.2	17,980	6,834
Bobst/machinery & eng	Switzerland	2,403.02	184.80	183.86	13.0	6.7	1.9	787	641
Bongrain/food, household	France	619.32	32.44	38.48	19.1	9.3	2.7	1,725	1,192
Boots/retailing	UK	8.82	0.45	0.51	19.6	14.5	3.3	6,349	9,111

Stock prices and earnings estimates were converted into U.S. dollars using rates at May 31. Earnings and revenues for 1991 were converted using the average exchange rate for the previous 12 months at fiscal reporting date. E: Estimate. NA: Not available. *Sources: Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; Forbes.*

Company/industry	Country	Recent price ($)	EPS 1991 ($)	EPS 1992E ($)	P/E	Price/ cash flow	Yield (%)	Revenue ($mil)	Market value ($mil)
Bowater/forest products	UK	15.35	0.80	0.88	19.2	12.5	3.5	2,129	3,133
Bowthorpe Holdings/electronic comp	UK	5.07	0.25	0.27	20.4	13.5	2.9	391	767
BSN-Groupe/food, household	France	209.16	10.46	12.39	20.0	9.6	1.9	11,710	11,961
Cadbury Schweppes/food, household	UK	8.51	0.42	0.55	20.3	10.8	3.6	5,719	6,269
Canon/leisure goods	Japan	11.12	0.52	0.53	21.4	7.6	0.9	13,875	8,352
Carlsberg/bev & tobacco	Denmark	51.39	2.05	2.23	25.0	14.6	0.9	1,637	3,270
China Light & Power/utilities	Hong Kong	4.46	0.22	0.25	20.1	14.9	2.8	1,532	7,390
Ciba-Geigy Group/chemicals	Switzerland	2,416.75	156.90	190.32	15.4	8.1	1.8	14,700	14,207
CSM/food, household	Netherlands	53.20	3.59	4.02	14.8	8.2	2.3	996	931
Daimler-Benz Group/automobiles	Germany	504.20	33.38	37.01	15.1	4.8	2.5	57,251	23,514
De La Rue/services	UK	11.05	0.53	0.66	20.8	16.4	2.9	721	2,106
Denny's Japan/leisure	Japan	23.89	0.98	1.04	24.5	13.2	0.8	636	703
Dragados y Construcciones/construction	Spain	20.70	2.00	2.03	10.4	11.2	4.3	3,410	1,230
Elf Aquitaine Group/energy	France	74.54	6.85	6.89	10.9	4.4	4.9	35,625	18,896
Elsevier/media	Netherlands	62.37	3.13	3.83	19.9	16.8	2.0	1,214	4,045
Farnell Electronics/electronic comp	UK	5.71	0.29	0.35	19.8	15.6	2.5	371	741
Fisons/personal care	UK	6.40	0.37	0.44	17.2	13.3	3.3	2,176	4,427
FR Group/aero & defense	UK	4.23	0.35	0.38	11.9	7.2	3.9	297	315
Fuji Photo Film/leisure goods	Japan	22.41	1.37	1.46	16.4	9.4	0.5	8,267	11,484
GEHE/personal care	Germany	615.86	18.69	26.87	32.9	20.7	2.2	3,035	1,497
Getronics/data processing	Netherlands	17.90	1.52	1.69	11.7	8.9	1.9	442	333
Glaxo Holdings/personal care	UK	14.22	0.56	0.62	25.4	22.0	2.4	6,306	42,696
Greenalls Group/bev & tobacco	UK	7.78	0.69	0.64	11.3	7.8	3.6	854	931
Guinness/bev & tobacco	UK	10.96	0.62	0.70	17.7	14.2	2.4	5,206	21,391
Hazlewood Foods/food, household	UK	2.76	0.28	0.31	9.7	7.0	5.2	1,097	642
Hero/food, household	Switzerland	4,737.38	377.27	375.90	12.6	7.6	2.4	718	538
Hitachi/elec & electron	Japan	6.31	0.28	0.30	22.5	4.6	1.4	58,234	20,661
Hoechst Group/chemicals	Germany	164.11	11.37	12.44	14.4	3.8	7.1	28,433	9,527
Hollandsche Beton Groep/construction	Netherlands	112.03	11.23	13.01	10.0	2.8	4.5	2,454	336
Hong Kong Aircraft Engineering/aero & def	Hong Kong	3.10	0.22	0.25	14.0	11.6	3.4	232	574
Inax/bldg materials	Japan	7.72	0.25	0.23	30.7	NA	0.8	2,043	1,854
Interdiscount/retailing	Switzerland	1,634.05	125.52	146.72	13.0	9.0	4.5	954	384
J Sainsbury/retailing	UK	8.67	0.43	0.51	20.2	14.5	2.5	15,084	15,195
Kao/food, household	Japan	8.46	0.25	0.31	33.8	8.6	0.9	5,474	5,059
Kingfisher/retailing	UK	10.23	0.62	0.62	16.5	11.4	3.0	5,962	4,941
Kirin Brewery/bev & tobacco	Japan	9.56	0.31	0.34	30.8	16.0	0.7	6,103	10,059
Kwik Save Group/retailing	UK	11.34	0.80	0.88	14.1	10.4	3.2	3,258	1,745
L'Aire Liquide Group/chemicals	France	148.53	7.27	8.41	20.4	9.2	2.6	5,640	7,724
Ladbroke Group/leisure	UK	4.37	0.28	0.29	15.6	10.5	6.2	6,699	4,732
Laird Group/machinery & eng	UK	6.00	0.30	0.38	19.9	9.6	4.2	927	697
Linde/machinery & eng	Germany	538.73	25.61	28.74	21.0	9.0	2.7	4,165	3,682
London International/personal care	UK	5.42	0.29	0.38	18.7	12.7	4.3	691	907
LVMH Group/bev & tobacco	France	745.41	42.71	52.59	17.5	13.7	2.5	3,906	11,742
Marks & Spencer/retailing	UK	6.24	0.28	0.33	22.3	17.9	2.8	10,049	16,994
Matsushita Electric Works/elec & electron	Japan	8.77	0.39	0.36	22.5	NA	1.1	7,976	6,308

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Sources: Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; Forbes.

100 RECOMMENDED FOREIGN STOCKS

Company/industry	Country	Recent price ($)	EPS 1991 ($)	EPS 1992E ($)	P/E	Price/ cash flow	Yield (%)	Revenue ($mil)	Market value ($mil)
Merkur Holding/retailing	Switzerland	2,203.91	132.50	158.81	16.6	7.3	2.0	1,604	749
Morgan Crucible/industrial comp	UK	5.58	0.35	0.40	15.8	10.5	5.5	1,111	1,198
Murata Manufacturing/electronic comp	Japan	18.02	0.99	0.86	18.2	9.8	0.7	2,100	3,719
Nestle/food, household	Switzerland	6,728.46	468.62	524.75	14.4	8.9	2.2	35,216	24,686
Nijverdal-Ten Cate/textile, apparel	Netherlands	60.65	6.25	7.13	9.7	4.4	4.0	551	229
Nippondenso/industrial comp	Japan	11.59	0.54	0.51	21.5	7.4	1.0	10,987	9,696
Nutricia/food, household	Netherlands	85.07	5.02	5.99	17.0	11.3	1.9	665	893
Onward Kashiyama/textile, apparel	Japan	10.03	0.49	0.50	20.4	NA	1.5	1,750	1,496
Oxford Instruments/electronic comp	UK	4.65	0.26	0.31	18.2	12.6	2.2	179	225
Pearson/multi-industry	UK	15.83	0.80	0.90	19.8	13.5	3.6	2,831	4,309
Pernod-Ricard/bev & tobacco	France	287.41	14.36	17.86	20.0	13.3	3.1	3,065	3,376
Petrofina/energy	Belgium	325.07	19.88	23.13	16.4	6.0	5.2	12,597	7,558
Preussag Group/multi-industry	Germany	260.16	20.81	19.78	12.5	4.6	3.7	15,646	3,836
Rentokil Group/services	UK	3.28	0.11	0.14	30.9	20.1	1.3	688	3,187
Reuters Holdings/services	UK	21.75	0.97	1.12	22.4	11.8	1.9	2,596	9,488
RMC Group/bldg materials	UK	11.51	0.64	0.68	18.0	7.0	4.2	4,951	2,344
Roche Group/personal care	Switzerland	3,165.12	119.95	135.60	26.4	17.2	0.6	7,985	20,889
Rothmans International/bev & tobacco	UK	20.09	1.49	1.70	13.5	10.8	2.3	4,180	6,398
Christian Salvesen/food, household	UK	5.38	0.30	0.35	17.7	9.5	3.1	840	1,529
Sandoz Group/personal care	Switzerland	1,997.94	106.70	129.15	18.7	11.1	1.2	9,372	14,627
Sanofi/personal care	France	205.45	9.18	11.67	22.4	10.1	3.1	3,475	3,792
Santos/energy	Australia	2.06	0.20	0.20	10.6	6.2	7.0	511	968
Schering Group/personal care	Germany	497.36	24.18	29.05	20.6	8.7	2.5	3,832	3,399
Scottish & Newcastle/bev & tobacco	UK	8.49	0.65E	0.71	13.5	8.2	4.4	2,559	3,374
Seino Transportation/trucking, RR	Japan	13.94	0.62E	0.71	23.3	11.8	0.6	2,179	2,123
Sharp/appliances	Japan	9.71	0.27	0.31	36.0	10.3	0.9	11,399	10,362
Shun Tak Holdings/shipping	Hong Kong	0.78	0.05	0.06	17.0	14.5	5.0	206	924
Siemens Group/elec & electron	Germany	434.90	21.51	27.68	20.2	5.9	2.9	44,857	23,152
SIKA Finanz/bldg materials	Switzerland	2,059.73	129.01	146.17	16.0	5.8	2.3	848	438
Singapore Airlines/airlines	Singapore	7.80	0.85	1.16	9.2	5.4	2.5	3,182	5,002
Sirti/construction	Italy	8.19	0.93	0.99	8.8	7.0	4.9	1,058	1,801
SMH/leisure goods	Switzerland	717.47	54.97	60.42	13.1	10.0	1.3	1,706	2,368
Solvay Group/chemicals	Belgium	396.13	34.61	36.50	11.4	4.4	5.1	7,462	3,282
Sophus Berendsen/multi-industry	Denmark	336.16	12.70	19.49	26.5	10.1	0.8	1,114	1,424
Swire Pacific/multi-industry	Hong Kong	4.71	0.25	0.30	18.9	11.4	2.4	4,320	7,483
Taisho Pharmaceutical/personal care	Japan	14.88	0.68	0.61	21.9	21.4	1.1	1,426	4,592
Takeda Chemical Inds/personal care	Japan	8.77	0.29	0.35	30.3	14.9	1.1	5,322	7,664
Tesco/retailing	UK	5.05	0.35	0.40	14.4	10.5	3.0	13,244	9,796
TI Group/multi-industry	UK	12.53	0.80	0.86	15.7	11.4	4.0	1,592	2,014
Tomkins/industrial comp	UK	9.18	0.50E	0.55	15.5	12.6	2.7	1,930	2,538
Toyoda Automatic Loom/machinery & eng	Japan	11.20	0.40	0.41	28.0	9.2	0.9	4,375	3,159
VEBA Group/utilities	Germany	255.37	17.47	18.41	14.6	4.4	4.6	34,468	11,525
Wessanen/food, household	Netherlands	51.82	3.32	3.88	15.6	8.9	2.9	2,080	887
Williams Holdings/bldg materials	UK	6.22	0.41	0.42	15.3	12.1	4.9	1,773	2,924
Yamanouchi Pharmaceutical/personal care	Japan	20.45	0.72	0.82	28.3	18.3	0.5	2,527	6,591

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Fewer deals, less investment

Remember a few years ago when the the media and many politicians were in a panic over foreigners buying American assets? Well, they can breathe easier. The shopping spree is over.

The Department of Commerce recently changed the way it calculates foreign investment, so previous numbers are not entirely comparable. Nevertheless, the trend is quite clear. In 1991 foreigners' net investment in U.S. assets—net purchases of U.S. government obligations, bank deposits and direct investment in U.S. plant and equipment—was $67 billion. Compare that with 1990's $86 billion and 1988's record $219 billion.

Securities Data Co., a New Jersey-based research firm that compiles data on mergers and acquisitions, reports that the total value of cross-border deals announced during 1991 involving a U.S. target was $43 billion, versus $74 billion in 1990. Last year there weren't any multi-billion-dollar buyouts to rival the 1990 acquisition of MCA by Matsushita Electric Industrial from Japan (for $7.4 billion) or of Fireman's Fund by Germany's Allianz A.G. Holding (for $3.1 billion).

In a dynamic world economy, this list changes from year to year. For example, Canada's Campeau Corp. (ranked sixth in 1991) lost control of Federated Department Stores and Allied Stores and no longer qualifies for this list. Also deleted is Britain's Beazer Plc., which was acquired by Hanson Plc. (number eight on the list).

France's Carrefour was dropped because its ownership of both Costco Wholesale and Office Depot fell below 20%. (A foreign company must have a minimum 20% interest in its U.S. subsidiary to be considered for our table.)

1991 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
1	**Seagram Co Ltd***	Canada	El du Pont de Nemours*	25	chemicals, energy	38,151	1,403.0	36,117
			J E Seagram	100	beverages	3,852	437.0	9,315
						42,003		
2	**Royal Dutch/Shell Group***	Netherlands/UK	Shell Oil	100	energy, chemicals	22,201	20.0	27,998
3	**British Petroleum Plc***	UK	BP America	100	energy	15,829	NA	NA
			Standard Oil	100	energy			
4	**Tengelmann Group**	Germany	Great A&P Tea*	53	supermarkets	11,591	70.7	3,213
5	**B.A.T Industries Plc***	UK	Brown & Williamson Tobacco	100	tobacco	3,490	NA	NA
			Farmers Group	100	insurance	1,435	422.2	5,344
	Imasco Ltd	Canada	Hardee's Food Systems	100	fast food	4,375	NA	NA
						9,300		
6	**Petroleos de Venezuela, SA**	Venezuela	Citgo Petroleum	100	refining, marketing	8,922	143.6	3,262
7	**Unilever NV***	Netherlands	Unilever United States	100	food proc, pers prods	8,855	2.0	9,056
	Unilever Plc*	UK						
8	**Hanson Plc***	UK	Hanson Industries	100	multicompany	6,773	660.2	13,222
			Beazer USA	100	const materials	1,400	NA	4,000
			Smith Corona*	48	office supplies	383	19.6	182
			Ground Round Restaurant*	33	restaurant chain	162	-1.7	135
			MariFarms*	47	food processing	70	-3.3	53
						8,788		
9	**Sony Corp***	Japan	Sony Music Entertainment	100	music entertainment	8,337	NA	NA
			Sony Picture Entertainment	100	movies			
			Sony Corp of America	100	consumer electronics			
10	**Grand Metropolitan Plc***	UK	Burger King	100	fast food	8,033	NA	8,289
			Grand Metropolitan USA	100	beverages, retailing			
			Pillsbury	100	food processors			
11	**Nestle SA***	Switzerland	Nestle USA	100	food processing	7,849	NA	NA
			Alcon Laboratories	100	pharmaceuticals			
12	**Ito-Yokado**	Japan	Southland*	70	convenience stores	7,566	-74.3	2,596
13	**Hoechst AG***	Germany	Hoechst Celanese	100	chemicals	6,794	172.0	6,630

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1991 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
14	Delhaize "Le Lion" SA	Belgium	Food Lion*	50	supermarkets	6,439	205.2	1,992
15	Bayer AG*	Germany	Miles	100	chemicals, health care	6,197	101.0	5,111
16	Rhone-Poulenc SA*	France	Rhone-Poulenc	100	chemicals	2,300	NA	3,400
			Rhone-Poulenc Rorer*	66	pharmaceuticals	3,824	326.5	4,116
						6,124		
17	Philips Electronics NV*	Netherlands	North American Philips	100	electronics	6,065	8.1	3,044
18	Imperial Chemical Industries Plc*	UK	ICI Americas	100	chemicals, drugs, paint	6,000	NA	NA
19	Franz Haniel & Cie	Germany	Scrivner	100	food distribution	6,000	NA	NA
			Gateway Foods	100	food distribution			
20	Pechiney	France						
	Pechiney International	France	American National Can	100	packaging	4,453	NA	
			Howmet	100	gas turbines	925	NA	6,929
			Other companies	100	aluminum	538	NA	
						5,916		
21	Honda Motor Company Ltd*	Japan	Honda of America Mfg	100	automotive	5,800E	NA	NA
22	Toyota Motor Corp*	Japan	Toyota Motor Mfg	100	automotive	2,600E	NA	NA
			New United Motor Mfg	50	automotive	1,900E	NA	NA
	*Nippondenso Co Ltd**	Japan	Nippondenso America	100	auto parts	1,249	NA	NA
						5,749		
23	Bridgestone*	Japan	Bridgestone/Firestone	100	tire	5,700	-500.0	NA
24	Ahold NV*	Netherlands	First National Supermkts	100	supermarkets	2,020	NA	
			BI-LO	100	supermarkets	1,625	NA	2,776
			Giant Food Stores	100	supermarkets	997	NA	
			Tops Market	100	supermarkets	960	NA	
						5,602		
25	ASEA AB*	Sweden						
	BBC Brown Boveri*	Switzerland						
	ABB Asea Brown Boveri	Switzerland	Asea Brown Boveri	100	power generation	5,500	NA	5,000
26	Matsushita Electric Industrial*	Japan	Matsushita Elec Corp (Am)	100	electronics	1,700	NA	NA
			MCA	100	entertainment	3,563	NA	NA
						5,263		
27	Volvo AB*	Sweden	Hertz Corporation	26	car rental	2,626	51.9	3,824
			Volvo GM Heavy Truck	83	automotive	1,300E	NA	NA
			VME Americas	25	automotive	237	NA	NA
	Regie Nationale des Usines Renault	France	Mack Trucks	100	automotive	1,000E	NA	NA
						5,163		
28	News Corporation Ltd*	Australia	News America	100	media, publishing	5,134	NA	7,250E
29	BASF AG*	Germany	BASF	100	chemicals	4,962	-47.5	3,843
30	SmithKline Beecham Plc*	UK	SmithKline Beecham Corp	100	drugs, consumer prods	4,859	747.0	5,900
31	BCE*	Canada						
	*Northern Telecom Ltd**	Canada	Northern Telecom	100	telecommunications	4,336	NA	3,893
	*Trans Canada Pipeline**	Canada	Great Lakes Gas Trans	50	gas transmission	186	55.3	NA
			Northern Border Pipeline	30	gas transmission	156	66.9	NA
			Ocean State Power Plant	40	power generation	131	30.4	NA
						4,809		
32	Siemens AG*	Germany	Siemens Corporation	100	electronics	4,516	-130.4	4,300
33	Brascan Ltd*	Canada						
	Noranda	Canada	Noranda US	100	minerals, forest prods	2,706	NA	2,212
	John Labatt Ltd	Canada	Johanna Dairies	100	dairy, juice products	1,540	NA	NA
			Other companies	100	package foods, brewing			
						4,246		

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THE 100 LARGEST FOREIGN INVESTMENTS IN THE U.S.

1991 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
34	Ferruzzi-Montedison*Group	Italy	Central Soya	100	food processor	2,067	NA	NA
			Himont	100	chemicals	1,811	NA	NA
			Ausimont USA	100	chemicals			
			Other companies	100	pharmaceuticals	247	NA	NA
						4,125		
35	Ciba-Geigy Ltd*	Switzerland	Ciba-Geigy	100	chemicals, drugs	4,100	NA	3,600
36	Prudential Corporation Plc*	UK	Jackson National Life	100	insurance	4,017	89.0	13,602
37	Electrolux AB*	Sweden	White Consolidated	100	appliances	3,949	NA	2,993
38	Fujitsu Ltd*	Japan	Amdahl*	44	electronics	1,702	4.4	2,336
			Fujitsu America	100	electronics	1,750	NA	NA
			Fujitsu Microelectronics	100	electronics	465	-36.0	305
						3,917		
39	Zurich Insurance Group	Switzerland	Zurich Insurance Group US	100	insurance	3,600	142.1	7,900
40	Dalgety Plc	UK	Martin-Brower	100	food distribution	3,500	NA	325
41	Anglo Amer of S Africa*	South Africa						
	De Beers Centenary	Switzerland						
	*Minorco**	Luxemborg	Engelhard*	30	metals	2,436	87.9	1,256
			Inspiration Resources*	54	agribusiness	1,033	-156.8	499
						3,469		
42	Petrofina SA*	Belgium	Fina*	85	energy	3,336	42.0	2,861
43	Allianz AG	Germany	Fireman's Fund	100	insurance	3,237	126.0	9,145
44	BTR Plc*	UK	BTR Dunlop	100	construction, controls	3,194	NA	1,900
45	Henkel KGaA	Germany	Clorox*	28	household products	1,646	52.7	1,603
			Henkel	100	chemicals	878	NA	NA
			Loctite*	29	chemicals	561	71.9	529
						3,085		
46	Internationale Nederlanden Groep NV	Netherlands	Nationale-Nederlanden US	100	insurance	3,000	NA	12,000
			Intl-Nederlanden Bank US	100	banking			
47	Societe Nationale Elf Aquitaine*	France	Elf Aquitaine	100	oil & gas, chemicals	2,538	NA	4,435
	Elf Sanofi	France	Elf Sanofi	100	health, beauty products	434	NA	715
						2,972		
48	Compagnies des Machines Bull*	France	Bull HN Information Sys	100	information systems	2,205	-141.0	957
			Bull Data Systems	100	information systems	764	-177.0	771
						2,969		
49	Jefferson Smurfit Group Plc	Ireland						
	Smurfit International BV	Netherlands	Jefferson Smurfit	50	paper, packaging	2,940	-77.1	2,460
			Container Corp of America	50	paper, packaging			
50	Manufacturers Life Insurance	Canada	Manufacturers Life Ins US	100	insurance	2,900E	NA	NA
51	Power Corp of Canada	Canada						
	Great-West Lifeco	Canada	Great-West Life Assur	59	insurance	2,837	NA	11,508
52	Snecma	France	CFM International	50	aviation	2,795	1.6	1,066
53	General Electric Plc*	UK	Picker International	100	medical equipment			
			AB Dick	100	office equipment	2,722	159.7	NA
			Other companies	100	elec system & component			
54	Thomson SA	France	Thomson Consumer Elec	100	consumer electronics	2,669	-60.0	1,219
55	Roche Holding Ltd	Switzerland	Hoffmann-La Roche	100	drugs, chemicals	2,200	NA	NA
			Genentech*	61	biotechnology	467	44.3	1,231
						2,667		

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THE 100 LARGEST FOREIGN INVESTMENTS IN THE U.S.

1991 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
56	**Total***	France	Total Petroleum	100	energy	2,486	-6.7	1,040
			Total Minatome	100	oil & gas	164	NA	336
						2,650		
57	**Sandoz Ltd***	Switzerland	Sandoz United States	100	chemicals, drugs	2,642	NA	NA
58	**Nissan Motor Co Ltd***	Japan	Nissan Motor Mfg USA	100	automotive	2,600E	NA	NA
59	**Dainippon Ink and Chemicals**	Japan	Sun Chemical	100	printing, chemicals	1,300E	NA	NA
			Reichhold Chemicals	100	chemicals	1,000	NA	NA
			Polychrome	100	printing	300E	NA	NA
						2,600		
60	**Saint-Gobain**	France	Norton	100	building materials	1,357	NA	NA
			Certainteed	100	building materials	1,237	NA	NA
						2,594		
61	**General Accident Fire & Life Plc**	UK	Gen Accident Corp of Am	100	insurance	2,545	348.5	5,028
62	**Edmund J Safra**	Switzerland						
	Saban SA	Switzerland	Republic NY*	29	banking	2,535	227.4	31,221
63	**Broken Hill Proprietary***	Australia	Pacific Resources	100	energy	1,200E	NA	NA
			BHP Petroleum (Americas)	100	energy	600E	NA	NA
			BHP-Utah International	100	mining	700E	NA	NA
						2,500		
64	**Alcan Aluminium Ltd***	Canada	Alcan Aluminum	100	aluminum	2,497	-14.0	1,646
65	**Sun Life Assurance Co of Canada**	Canada	Sun Life of Canada (US)	100	insurance	2,019	66.1	7,226
			Sun Life's US Subs	100	insurance	442	NA	NA
						2,461		
66	**RWE AG***	Germany	Vista Chemical	100	chemicals	705	33.3	730
			Consol Energy	50	coal mining	1,752	1.4	2,588
						2,457		
67	**Daimler-Benz AG**	Germany	Freightliner	100	automotive	1,718	NA	NA
	AEG AG*	Germany	AEG	100	elec equip, electronics	700	NA	NA
			Other companies	100	elec equip, computers			
						2,418		
68	**NKK Corp***	Japan	National Steel	70	steel	2,330	-189.5	1,986
69	**Bank of Tokyo Ltd***	Japan	Union Bank*	76	banking	1,633	93.5	17,474
			Bank of Tokyo Trust	100	banking	697	2.0	9,235
						2,330		
70	**Glaxo Holdings Plc***	UK	Glaxo	100	ethical pharmaceutical	2,311	NA	NA
71	**McDermott International***	Panama	McDermott	100	heavy equipment	2,309	26.5	2,465
72	**Aegon NV***	Netherlands	Aegon USA	100	insurance	2,243	126.0	13,016
73	**Tate & Lyle Plc***	UK	A E Staley Manufacturing	90	food distr, processors	1,210	NA	NA
			PM Ag Products	100	molasses, animal feeds			
			Western Sugar	100	sugar refining	1,013	NA	NA
			Other companies	100	sugar processing			
						2,223		
74	**Confederation Life Insurance**	Canada	Confederation Life	100	insurance	2,216	NA	6,267
75	**RTZ Plc***	UK	US Borax & Chemical	100	mining, borax			
			US Silica	100	sand, clays	1,408	NA	2,072
			Kennecott	100	mining			
	RTZ Pillar Ltd	UK	Indal US	100	building products	442	NA	295
	Rio Algom Ltd*	Canada	Rio Algom	100	metals, mining	305	NA	207
						2,155		

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THE 100 LARGEST FOREIGN INVESTMENTS IN THE U.S.

1991 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
76	Mazda Motor Corp	Japan	Mazda Motor Mfg USA	50	automotive	2,100E	NA	NA
77	Trygg-Hansa SPP Group	Sweden	Home Insurance Company	60	insurance	2,052	-241.0	6,129
78	Thomson Corp	Canada	Thomson US	100	publishing	2,050	NA	4,733
79	Sobey Parties	Canada	Hannaford Brothers*	26	food distribution	2,008	43.4	706
80	WPP Group Plc*	UK	Ogilvy & Mather	100	advertising	795	NA	NA
			J Walter Thompson	100	advertising	727	NA	NA
			WPP Group USA	100	marketing services	280	NA	NA
			Hill & Knowlton	100	public relations	175	NA	NA
						1,977		
81	National Westminster Bank Plc*	UK	Nati Westminster Bancorp	100	banking	1,974	-371.5	21,459
82	Royal Insurance Holdings Plc	UK	Royal USA	100	insurance	1,953	67.6	5,260
83	George Weston Ltd	Canada	Stroehmann Bakeries	100	bakery			
			Interbake Foods	100	bakery	793	NA	391
			Eddy Paper	100	paper products			
	Loblaw Cos	Canada	National Tea	100	supermarkets	1,134	NA	485
						1,927		
84	Akzo NV*	Netherlands	Akzo America	100	multicompany	1,920	NA	2,000
85	NV AMEV*	Netherlands						
	AG Groupe	Belgium						
	Fortis	Neth/Belgium	Fortis	100	insurance	1,905	93.4	4,584
86	Bertelsmann AG	Germany	Bertelsmann USA	100	printing, publishing	1,904	NA	NA
87	Hongkong & Shanghai Banking Corp*	Hong Kong	Marine Midland Banks	100	banking	1,830	-189.9	16,947
88	BOC Group Plc*	UK	BOC Group	100	gases & health care	1,818	79.7	1,758
89	J Sainsbury Plc*	UK	Shaw's Supermarkets	100	supermarkets	1,813	NA	NA
90	Commercial Union Assurance Plc	UK	Commercial Union	100	insurance	1,779	101.2	4,239
91	Canadian Pacific Ltd*	Canada	CP Rail (US)	100	railroad	930	NA	2,900
			Canadian Pacific US	100	transportation, steel			
	*United Dominion Inds**	Canada	United Dominion Inds(US)	100	industrial machinery	817	NA	279
						1,747		
92	Otto Family	Germany	Spiegel*	87	catalog retailing	1,734	16.9	1,725
93	United Biscuits (Holdings) Plc*	UK	Keebler	100	food processing	1,724	71.4	761
94	Mitsubishi Motors	Japan	Diamond-Star Motors	100	automotive	1,650	5.0	443
95	Schneider SA	France	Square D	100	electrical equipment	1,636	11.1	1,336
96	Olympia & York Developments Ltd	Canada	Landmark Land*	25	real estate	298	-250.3	2,251
	*Abitibi-Price**	Canada	Abitibi-Price (US)	100	newsprint, paper prods	736	NA	412
	Trizec	Canada	Rouse*	23	property dev, banking	573	2.4	2,637
						1,607		
97	Ifinit SA	Luxembourg	Lear Seating	20	auto parts	1,100E	NA	NA
			Moog Automotive	100	auto parts	500E	NA	NA
						1,600		
98	Crownx	Canada	Crown Life Insurance (US)	55	insurance	1,100E	NA	NA
			United Health	100	health care	465	NA	393
						1,565		
99	Pakhoed Holding	Netherlands	Univar*	31	chemicals	1,558	-5.6	716
100	Moore Corp Ltd*	Canada	Moore Business Forms	100	business forms	1,549	66.3	1,076

*Publicly traded in the U.S. in shares or ADRs. Note: Some foreign investors on the list own U.S. companies indirectly through companies in italics. E: Estimate. NA: Not available.

U.S. corporations with the biggest foreign revenues

The coming year won't be easy for the overseas divisions of the 100 largest American multinationals ranked below. Columbia University's Center for International Business Cycle Research says the immediate future looks bleak for the European economies and predicts an end to the long expansion in Japan and a lackluster recovery in Canada.

But this doesn't mean that U.S. multinationals should, or will, scale back their investments abroad. Developing nations, especially in Asia and Latin America, offer tremendous growth opportunities. "Foreign countries are closing the relative [economic] gap between themselves and the United States," says Paul J. Isaac, chief economist for Mabon Securities Corp. Isaac argues that American multinationals will benefit enormously as foreign standards of living rise.

Some of the noticeable differences between this year's list and last: New York's Chemical Banking and Manufacturers Hanover combined operations to form a single multinational unit with nearly $30 billion in foreign assets. On the West Coast, BankAmerica purchased Security Pacific. Meanwhile, AT&T, ranked 26th, joined this list for the first time by purchasing NCR, long a force in overseas markets.

Why isn't Boeing, perhaps the U.S.' most successful marketer abroad, not on the list? Because we do not include export sales in calculating foreign revenue. Boeing exports billions worth of aircraft but does not have factories ouside the U.S.

We do include a company's interest in unconsolidated affiliates abroad. Thus, foreign sales of Texaco and Chevron include their respective 50% interest in $16 billion (sales) Caltex, an oil company primarily in the Far East.

If a company announced a significant divestiture after its consolidated results were reported, we excluded those revenues. Thus, ITT's foreign sales do not include the company's 30% interest in Alcatel N.V., the worldwide communications company. In March, ITT agreed to sell the majority of its Alcatel stake to its partner in the venture.

1991 Rank	Company	Revenue			Net profit[1]			Assets		
		foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total
1	Exxon	78,073	102,847	75.9	4,717	5,600	84.2	51,118	87,560	58.4
2	IBM	40,358	64,792	62.3	1,909	-564	P-D	50,210	92,473	54.3
3	General Motors	39,083	123,056	31.8	2,534	-4,992	P-D	43,125	184,157	23.4
4	Mobil	38,778[2]	56,910[2]	68.1	2,101[3]	2,435[3]	86.3	23,858	42,187	56.6
5	Ford Motor	34,477	88,286	39.1	-811	-2,258	35.9	55,053	174,428	31.6
6	Texaco[4]	24,754	49,648	49.9	1,046[3]	1,817[3]	57.6	8,497	29,671	28.6
7	Chevron[4]	17,180	44,984	38.2	1,130	1,293	87.4	11,566	36,959	31.3
8	El du Pont de Nemours	17,086	38,151	44.8	740	1,403	52.7	14,386	36,117	39.8
9	Citicorp	16,848	31,839	52.9	437	-914	P-D	95,927[5]	221,897[5]	43.2
10	Philip Morris Cos	13,152	48,064	27.4	999	3,927	25.4	12,114	47,384	25.6

[1]From continuing operations. [2]Includes other income. [3]Net income before corporate expense. [4]Includes proportionate interest in unconsolidated subsidiaries or affiliates. [5]Average assets. [6]Net income before minority interest. [7]Excludes Canadian operations. [8]Pretax income. [9]Operating profit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

1991 Rank	Company	Revenue			Net profit[1]			Assets		
		foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total
11	Procter & Gamble	12,327	27,026	45.6	402	1,773	22.7	7,425	20,468	36.3
12	Dow Chemical	9,728	18,807	51.7	280[6]	1,178[6]	23.8	10,876	24,727	44.0
13	General Electric	8,671[2]	60,236[2]	14.4	443	4,435	10.0	19,041	168,259	11.3
14	Xerox [4]	8,590	19,372	44.3	292	454	64.3	8,867	32,431	27.3
15	Eastman Kodak	8,537	19,419	44.0	221	17	NM	6,990	24,170	28.9
16	Digital Equipment	8,325	13,911	59.8	145	-617	P-D	6,283	11,875	52.9
17	Hewlett-Packard	8,104	14,949	54.2	251	755	33.2	5,500	11,973	45.9
18	United Technologies	8,029[2]	21,262[2]	37.8	225[6]	-966[6]	P-D	4,647	15,985	29.1
19	Coca-Cola	7,401	11,572	64.0	1,139	1,618	70.4	4,783	10,222	46.8
20	American Int'l Group	7,322[7]	16,884	43.4	670[7]	1,553	43.1	28,279[7]	69,389	40.8
21	Minn Mining & Mfg	6,465	13,340	48.5	401[6]	1,186[6]	33.8	4,681	11,083	42.2
22	Amoco	6,372[2]	25,647[2]	24.8	200	1,173	17.1	10,112	30,510	33.1
23	Motorola	6,340	11,341	55.9	304	454	67.0	3,164	9,375	33.7
24	ITT	6,310	20,421	30.9	411[6]	868[6]	47.4	7,795	53,867	14.5
25	Johnson & Johnson	6,199	12,447	49.8	787	1,461	53.9	4,869	10,513	46.3
26	American Tel & Tel	5,442	63,089	8.6	68	522	13.0	5,475	53,355	10.3
27	American Express	5,162	25,763	20.0	209	789	26.5	25,283	146,441	17.3
28	JP Morgan & Co	4,975	10,314	48.2	868	1,114	77.9	48,390	103,468	46.8
29	Chrysler	4,833[2]	29,370[2]	16.5	225	-538	P-D	5,940	43,076	13.8
30	Goodyear Tire & Rubber	4,676	10,907	42.9	-10	75	D-P	3,420	8,511	40.2
31	PepsiCo	4,440	19,608	22.6	466	1,080	43.1	4,423	18,775	23.6
32	Unisys	4,431	8,696	51.0	-138	-1,393	9.9	2,406	8,432	28.5
33	Chase Manhattan	4,383	11,840	37.0	309	520	59.4	27,523	98,197	28.0
34	Bankers Trust New York	4,356	6,844	63.6	402	667	60.3	40,478	63,959	63.3
35	Bristol-Myers Squibb	4,280	11,159	38.4	474	2,056	23.1	2,971	9,416	31.6
36	Atlantic Richfield	4,208	17,037	24.7	104	709	14.7	5,905	24,432	24.1
37	Woolworth	4,203	9,914	42.4	40	-53	P-D	2,152	4,618	46.6
38	Aluminum Co of America	4,179	9,884	42.3	399[6]	219[6]	182.2	4,782	11,178	42.8
39	American Brands	4,102	8,379	49.0	408	806	50.6	4,024	15,116	26.6
40	Merck	3,986	8,603	46.3	404	2,122	19.0	2,903	9,499	30.6
41	Tenneco	3,949	13,662	28.9	-583	-674	86.5	5,371	18,696	28.7
42	Sears, Roebuck	3,941	57,242	6.9	2	1,279	0.2	2,841	106,435	2.7
43	CPC International	3,881	6,189	62.7	220[6]	416[6]	52.9	2,927	4,510	64.9
44	UAL	3,870	11,663	33.2	NA	-332	NA	NA	9,876	NA
45	Colgate-Palmolive	3,864[7]	6,060	63.8	73	125	58.4	2,224[7]	4,511	49.3
46	Sara Lee	3,799	12,381	30.7	325	535	60.7	3,360	8,122	41.4
47	Safeway	3,786	15,119	25.0	30	79	38.0	1,156	5,181	22.3
48	Kmart [4]	3,610	37,970	9.5	NA	859	NA	1,372	16,446	8.3
49	Salomon	3,517	9,175	38.3	302	507	59.6	34,106	97,402	35.0
50	Chemical Banking	3,472	14,145	24.5	138	154	89.6	29,479	138,930	21.2
51	Monsanto	3,228	8,864	36.4	78	296	26.4	3,153	9,227	34.2
52	Gillette	3,188	4,684	68.1	288	427	67.4	2,633	3,887	67.7
53	International Paper	3,151	12,703	24.8	133[6]	638[6]	20.8	3,671	14,941	24.6
54	Pfizer	3,141	6,950	45.2	546[6]	725[6]	75.3	3,303	9,635	34.3
55	McDonald's	2,985	6,695	44.6	325	860	37.8	5,195	11,349	45.8

[1]From continuing operations. [2]Includes other income. [3]Net income before corporate expense. [4]Includes proportionate interest in unconsolidated subsidiaries or affiliates. [5]Average assets. [6]Net income before minority interest. [7]Excludes Canadian operations. [8]Pretax income. [9]Operating profit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful.

THE 100 LARGEST U.S. MULTINATIONALS

1991 Rank	Company	Revenue			Net profit[1]			Assets		
		foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total
56	Rhone-Poulenc Rorer	2,971	3,824	77.7	209[6]	330[6]	63.3	2,696	4,116	65.5
57	Allied-Signal	2,923	11,831	24.7	-168	-273	61.5	2,585	10,382	24.9
58	Whirlpool	2,855	6,770	42.2	23	170	13.5	2,306[7]	6,445	35.8
59	Apple Computer	2,824	6,309	44.8	420	310	135.5	1,201	3,494	34.4
60	HJ Heinz	2,784	6,647	41.9	265	568	46.7	2,281	4,935	46.2
61	Halliburton	2,726[2]	7,019[2]	38.8	8[6]	29[6]	27.6	1,585	5,017	31.6
62	RJR Nabisco	2,712	14,989	18.1	363[8]	648[8]	56.0	2,862	32,131	8.9
63	AMR	2,700	12,887	21.0	NA	-240	NA	NA	16,208	NA
64	Cigna	2,680	18,750	14.3	-102	453	D-P	5,588	66,737	8.4
65	Federal Express	2,630	7,688	34.2	-391[9]	280[9]	D-P	1,640	5,672	28.9
66	Great A&P Tea	2,597	11,591	22.4	4	71	5.6	890	3,213	27.7
67	Caterpillar	2,584	10,182	25.4	-149[9]	-355[9]	42.0	2,499	12,042	20.8
68	Emerson Electric	2,582	7,427	34.8	167	632	26.4	2,373	6,364	37.3
69	Sun Company	2,573	10,184	25.3	-10	-132	7.6	3,031	7,143	42.4
70	BankAmerica	2,558	12,268	20.9	410	1,124	36.5	21,635	115,509	18.7
71	Aflac	2,550	3,283	77.7	126	149	84.6	8,784	10,145	86.6
72	Abbott Laboratories	2,501	6,877	36.4	200	1,089	18.4	1,739	6,255	27.8
73	WR Grace	2,489	6,049	41.1	164[6]	220[6]	74.5	1,913	6,007	31.8
74	Intel	2,450	4,779	51.3	461	819	56.3	1,221	6,292	19.4
75	TRW	2,449	7,913	30.9	2	-140	P-D	1,769	5,635	31.4
76	Warner-Lambert	2,444	5,059	48.3	-40	141	D-P	1,400	3,602	38.9
77	Texas Instruments	2,383	6,784	35.1	NA	-409	NA	2,236	5,009	44.6
78	Kellogg	2,376	5,787	41.1	218	606	36.0	1,878	3,926	47.8
79	Kimberly-Clark [4]	2,355	7,329	32.1	142	508	28.0	2,580	5,834	44.2
80	Phillips Petroleum	2,326	12,604	18.5	290	98	295.9	2,437	11,473	21.2
81	GTE	2,286	19,621	11.7	236	1,529	15.4	5,227	42,437	12.3
82	Borden	2,269	7,235	31.4	117	295	39.7	1,856	5,481	33.9
83	Rockwell International	2,236	11,927	18.7	-4	601	D-P	2,125	9,479	22.4
84	American Home Products	2,202	7,079	31.1	204	1,375	14.8	1,553	5,939	26.1
85	Ralston Purina	2,166	7,376	29.4	86	392	21.9	1,226	4,632	26.5
86	Eli Lilly	2,101	5,726	36.7	476	1,315	36.2	2,359	8,299	28.4
87	Scott Paper [4]	2,095	5,386	38.9	83	-70	P-D	2,086	6,677	31.2
88	Honeywell	2,093	6,193	33.8	150	331	45.3	1,545	4,807	32.1
89	Avon Products	2,083	3,593	58.0	130[6]	215[6]	60.5	826	1,729	47.8
90	Dresser Industries	2,052	4,670	43.9	80[6]	154[6]	51.9	1,086	3,251	33.4
91	PPG Industries	2,049	5,673	36.1	74[6]	207[6]	35.7	2,058	6,056	34.0
92	Black & Decker	2,038	4,637	44.0	148	53	279.2	2,987	5,533	54.0
93	Baxter International	2,023	8,921	22.7	241	591	40.8	1,832	9,340	19.6
94	Manpower	2,008	2,800	71.7	51[9]	82[9]	62.2	639	981	65.1
95	Bank of Boston	1,981	4,547	43.6	49	-34	P-D	5,699	32,700	17.4
96	Deere & Co	1,945	6,926	28.1	-22	-20	110.0	2,119	11,649	18.2
97	American Cyanamid	1,929	4,986	38.7	174	359	48.5	1,366	5,054	27.0
98	Compaq Computer	1,884	3,271	57.6	159	131	121.4	821	2,826	29.1
99	AMP	1,874	3,095	60.5	144	260	55.4	1,503	3,007	50.0
100	Quaker Oats	1,868	5,491	34.0	42	236	17.8	765	3,016	25.4

[1]From continuing operations. [2]Includes other income. [3]Net income before corporate expense. [4]Includes proportionate interest in unconsolidated subsidiaries or affiliates. [5]Average assets. [6]Net income before minority interest. [7]Excludes Canadian operations. [8]Pretax income. [9]Operating profit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available.

A third degree of risk

American Depositary Receipts let U.S. investors own a piece of Reuters Holdings Plc, say, or Hitachi Ltd. without going through the hassle of purchasing stock in London or Tokyo with pounds or yen. Investing via an ADR eliminates local transfer taxes and automatically converts all aspects of the transaction—including commissions and dividend payments, as well as the price of the security itself—into U.S. dollars. But remember that there is a foreign exchange rate risk implicit in ADRs, on top of the normal volatility and underlying business risks.

An ADR is a claim of ownership on a foreign company, the shares are physically deposited in a custodian bank in the company's home country. That way they don't have to be shipped back and forth across the ocean for delivery. ADRs often represent a multiple of a foreign firm's common stock. For example, one ADR of Honda Motor equals two of Honda's Tokyo traded common.

There are two types of ADRs: sponsored and unsponsored. Sponsored ADRs have only one U.S. bank (such as The Bank of New York or Morgan Guaranty) as the depositary. Unsponsored ADRs can be issued by any depositary bank, and are somewhat riskier than sponsored ones. Reason: A company with an unsponsored ADR is under no obligation to provide financial reports to U.S. shareholders.

U.S. investors have their choice of more than 900 ADRs from 40 countries. British companies have the most ADRs traded here, roughly 220, followed by Australia, then Japan. But Brazil has only one ADR traded in the U.S. for Aracruz Celulose, a paper and pulp company. Approximately 200 ADRs trade on the three U.S. markets—New York, Nasdaq and American. The remainder trade over-the-counter and are unsponsored. Companies traded in this fashion are not necessarily corporate lightweights. The ADRs of Nestle and Daimler-Benz, for example, both trade on the pink sheets.

As the world's capital markets have converged, trading volume for ADRs has surged—by more than 19% a year since 1988, against annual increases in trading volume of U.S. securities of barely 4%. Joseph Velli, an executive vice president at The Bank of New York, estimates that about $160 billion worth of ADRs will change hands this year.

Exch	Company/business	Country	ADR price ($US)	EPS 1991 ($)	EPS 1992E ($)	1991 P/E	Price/ cash flow	Yield (%)	Ordinary shares per ADR
q	•**Aegon Insurance Group**/insurance	Netherlands	68.00	9.35	8.91	7.3	NA	6.0	1.00
q	•**Ahold**/retailing	Netherlands	47.95	2.87	3.45	16.7	6.8	1.9	1.00
q	•**Akzo Group**/chemicals	Netherlands	44.25	4.02	4.71	11.0	4.7	4.1	0.50
n	•**Alcatel Alsthom**/elec & electron	France	24.29	1.84	2.04	13.2	6.6	3.1	0.20
a	**B.A.T Industries**/bev & tobacco	UK	14.86	0.50	0.90	29.7	21.7	5.5	1.00
	BASF Group/chemicals	Germany	31.02	2.20	2.35	14.1	3.4	7.5	0.20
n	•**BET**/multi-industry	UK	10.46	0.68E	0.88	15.4	3.8	12.4	4.00
o	•**BSN-Groupe**/food, household	France	41.83	2.09	2.48	20.0	9.6	1.9	0.20
n	•**Barclays**/banking	UK	27.44	0.56	1.52	49.0	NA	7.5	4.00
n	•**Bass**/bev & tobacco	UK	23.08	1.74	1.76	13.3	13.5	3.8	2.00

Prices as of May 29, 1992. • Sponsored ADR. a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter. q: Nasdaq. E: Estimate. NA: Not available. NM: Not meaningful.

Sources: Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; The Bank of New York; Forbes.

Exch	Company/business	Country	ADR price ($US)	EPS 1991 ($)	EPS 1992E ($)	1991 P/E	Price/ cash flow	Yield (%)	Ordinary shares per ADR
o	**Bayer Group**/chemicals	Germany	184.01	17.04	17.61	10.8	4.2	6.9	1.00
n	•**Benetton**/textile,apparel	Italy	23.24	1.62	1.82	14.3	12.4	2.1	2.00
n	•**British Airways**/airlines	UK	53.40	6.80	6.00	7.9	3.8	4.7	10.00
n	•**British Gas**/utilities	UK	47.40	5.10	5.30	9.3	8.6	7.0	10.00
n	•**British Petroleum**/energy	UK	60.00	1.68	2.88	35.7	9.9	8.2	12.00
n	•**British Steel**/metals,steel	UK	14.60	1.10E	-9.00	NM	7.7	14.7	10.00
n	•**British Telecom**/telecomm	UK	65.86	5.40	6.40	12.2	5.6	5.3	10.00
n	•**Broken Hill Proprietary**/energy	Australia	43.72	2.16E	2.44	20.3	10.6	2.8	400
n	•**Cable & Wireless**/telecomm	UK	31.56	1.29	2.04	24.5	10.1	2.9	3.00
q	•**Cadbury Schweppes**/food, household	UK	34.03	1.68	2.20	20.3	10.8	3.6	4.00
q	•**Canon**/leisure goods	Japan	55.62	2.65	2.66	21.4	7.6	0.9	5.00
o	**Cathay Pacific Airways**/airlines	Hong Kong	8.33	0.66	0.80	12.6	8.6	3.3	5.00
o	**Cheung Kong**/real estate	Hong Kong	3.45	0.29	0.39	11.9	11.8	2.6	1.00
o	**China Light & Power**/utilities	Hong Kong	4.46	0.22	0.25	20.1	14.9	2.8	1.00
n	•**Coles Myer**/retailing	Australia	28.50	1.59	1.56	17.9	10.7	3.0	3.00
o	•**Continental Group**/industrial comp	Germany	34.40	0.61	1.41	56.6	5.2	0.0	0.20
o	**Daimler-Benz Group**/automobiles	Germany	504.20	33.38	37.01	15.1	4.8	2.5	1.00
o	**Deutsche Bank Group**/banking	Germany	439.63	18.17	40.62	24.2	NA	3.3	1.00
q	•**Dresdner Bank**/banking	Germany	21.51	1.62	1.77	14.2	NA	5.4	0.10
q	•**Electrolux Group**/appliances	Sweden	46.88	0.91	1.76	51.6	5.8	4.6	1.00
o	•**Elf Aquitaine Group**/energy	France	37.27	3.43	3.45	10.9	4.4	4.9	0.50
q	•**LM Ericsson**/elec & electron	Sweden	25.56	1.25	0.48	20.5	11.6	2.4	1.00
n	•**Fiat Group**/automobiles	Italy	22.00	1.85	0.70	11.9	3.2	4.3	5.00
o	•**Fletcher Challenge**/forest products	New Zealand	20.00	2.90	1.00	6.9	4.6	6.0	10.00
q	**Fuji Photo Film**/leisure goods	Japan	44.82	2.74	2.92	16.4	9.4	0.5	2.00
q	•**Gambro**/personal care	Sweden	45.43	2.13E	2.73	21.3	12.1	1.4	1.00
n	•**Glaxo Holdings**/personal care	UK	28.44	1.12	1.24	25.4	22.0	2.4	2.00
o	•**Grand Metropolitan**/multi-industry	UK	18.70	1.20	1.28	15.6	11.9	3.1	2.00
o	•**Hafslund Nycomed**/personal care	Norway	28.58	2.64	3.20	10.8	10.8	0.9	1.00
n	•**Hanson**/multi-industry	UK	21.40	2.00	1.85	10.7	9.4	6.3	5.00
o	•**Groupe Havas**/services	France	25.13	1.16	1.26	21.8	14.9	1.9	0.25
n	•**Hitachi**/elec & electron	Japan	63.10	2.80	3.00	22.5	4.6	1.4	10.00
o	**Hoechst Group**/chemicals	Germany	82.06	5.69	6.22	14.4	3.3	7.1	0.50
n	•**Honda Motor**/automobiles	Japan	23.82	1.00	1.06	23.8	5.8	0.9	2.00
n	•**Hongkong Telecom**/telecomm	Hong Kong	37.77	2.01	2.32	18.8	16.3	3.9	30.00
o	**Hutchison Whampoa**/multi-industry	Hong Kong	12.78	0.70	0.92	18.3	14.2	3.4	5.00
n	•**Imperial Chemical Inds**/chemicals	UK	98.44	5.36	6.24	18.4	8.6	5.5	4.00
q	•**Itc-Yokado**/retailing	Japan	137.88	5.40	6.04	25.5	14.1	0.7	4.00
q	**Japan Air Lines**/airlines	Japan	11.86	-0.04E	-0.02	NM	10.3	0.7	2.00
o	•**Jardine Matheson Holdings**/multi-inds	Hong Kong	7.81	0.51	0.58	15.3	13.4	2.1	1.00
n	•**KLM Royal Dutch Airlines**/airlines	Netherlands	22.43	1.63E	2.65	13.8	2.9	2.5	1.00
o	•**Keppel**/machinery & eng	Singapore	10.26	0.36	0.40	28.5	18.5	0.8	2.00
q	**Kirin Brewery**/bev & tobacco	Japan	95.60	3.10	3.40	30.8	16.0	0.7	10.00
o	•**Komatsu**/machinery & eng	Japan	100.00	1.60	2.40	62.5	14.6	1.3	20.00
n	•**Kubota**/machinery & eng	Japan	84.60	0.40	0.83	NM	22.8	1.1	20.00

Prices as of May 29, 1992. • Sponsored ADR. a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter. q: Nasdaq. E: Estimate. NA: Not available. NM: Not meaningful.

Sources: Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; The Bank of New York; Forbes.

100 U.S.-TRADED FOREIGN STOCKS

Exch	Company/business	Country	ADR price ($US)	EPS 1991 ($)	EPS 1992E ($)	1991 P/E	Price/ cash flow	Yield (%)	Ordinary shares per ADR
n	•Kyocera/electronic comp	Japan	69.88	2.18	2.56	32.1	15.5	1.1	2.00
o	L'Oreal Group/personal care	France	34.12	1.31	1.46	26.0	16.0	1.4	0.20
q	•LVMH Group/bev & tobacco	France	149.08	8.54	10.52	17.5	13.7	2.5	0.20
q	•Makita/elec & electron	Japan	15.12	0.56	0.74	27.0	13.3	0.9	1.00
n	•Matsushita Electric Ind/appliances	Japan	108.11	4.50	4.90	24.0	7.8	0.9	10.00
n	•Mitsubishi Bank/banking	Japan	13.87	0.19	0.26	73.0	NA	0.5	1.00
o	Mitsubishi/trading	Japan	79.90	2.50	3.00	32.0	14.4	0.8	10.00
n	•Montedison Group/multi-industry	Italy	14.74	0.70	0.90	21.1	3.5	2.5	10.00
q	•NEC/elec & electron	Japan	37.75	0.35	0.80	NM	6.0	1.0	5.00
a	•NFC/trucking, RR	UK	25.16	1.25	1.30	20.1	12.7	3.1	5.00
o	•Neptune Orient Lines/shipping	Singapore	4.13	0.13	0.14	31.8	5.1	3.0	4.00
o	Nestle/food, household	Switzerland	67.28	4.69	5.25	14.3	8.9	2.2	0.01
n	•News Corp/media	Australia	33.34	1.72	1.94	NM	10.2	0.5	2.00
o	•Nintendo/leisure goods	Japan	20.76	1.15	1.18	18.0	NA	0.6	0.25
q	•Nissan Motor/automobiles	Japan	9.90	0.60	0.26	16.5	5.2	2.2	2.00
n	•Norsk Hydro/energy	Norway	28.25	0.37	1.13	NM	12.5	2.0	1.00
n	•Novo-Nordisk/personal care	Denmark	91.48	4.18	5.04	21.9	12.7	0.7	1.00
q	•Pacific Dunlop/multi-industry	Australia	16.52	1.00	0.84	16.5	14.4	3.9	4.00
o	•Petrofina/energy	Belgium	32.51	1.99	2.31	16.4	6.0	5.2	0.10
n	•Philips Group/appliances	Netherlands	23.32	1.61	2.18	13.2	2.8	0.0	1.00
n	•Pioneer Electronic/appliances	Japan	28.91	1.19	1.28	24.3	11.8	0.7	1.00
q	•Rank Organisation/leisure	UK	13.72	0.68	0.88	20.2	10.5	5.5	1.00
o	•Reed International/media	UK	41.64	2.00	2.34	20.8	18.5	3.6	4.00
n	•Repsol/energy	Spain	30.18	2.25	2.54	13.4	7.1	3.2	1.00
q	•Reuters Holdings/services	UK	65.25	2.91	3.36	22.4	11.8	1.9	3.00
n	•Royal Dutch Petroleum/energy	Netherlands	87.06	5.19	6.29	16.8	6.5	5.2	1.00
o	•Royal Nedlloyd Group/shipping	Netherlands	16.66	0.05	0.60	NM	3.2	0.0	0.50
q	•SKF Group/industrial comp	Sweden	20.38	1.71	0.92	NM	17.7	3.6	1.00
o	Siemens Group/elec & electron	Germany	86.98	4.30	4.64	20.2	5.9	2.9	0.20
n	•SmithKline Beecham/personal care	UK	83.70	3.20	4.95	26.2	15.1	2.4	5.00
n	•Sony/appliances	Japan	33.84	2.20	1.28	15.4	4.8	1.2	1.00
o	Swire Pacific/multi-industry	Hong Kong	9.42	0.50	0.60	18.9	11.4	2.4	2.00
n	•Telecom Corp New Zealand/telecomm	New Zealand	22.06	0.17E	0.18	NM	5.6	5.2	20.00
n	•Telefonica/telecomm	Spain	35.01	5.31	2.88	6.6	2.7	5.0	3.00
o	Thyssen Group/metals-steel	Germany	149.92	9.40	10.44	15.9	3.5	6.5	1.00
q	•Tokio Marine & Fire/insurance	Japan	39.95	0.75	0.90	53.3	NA	0.8	5.00
n	•Total Group/energy	France	24.85	2.79	2.56	8.9	4.6	3.9	0.50
q	Toyota Motor/automobiles	Japan	23.66	1.80	1.20	13.1	6.9	1.3	2.00
n	•Unilever/food, household	UK	66.52	4.37	4.86	15.2	10.5	2.8	4.00
o	•United Overseas Bank/banking	Singapore	8.11	0.34E	0.37	23.9	NA	1.9	2.00
n	•Vodafone Group/telecomm	UK	70.25	3.12E	3.61	22.5	16.7	1.9	10.00
o	•Volkswagen Group/automobiles	Germany	51.07	4.00	4.07	12.8	3.0	4.2	0.20
q	•Volvo Group/automobiles	Sweden	72.20	1.80	3.21	40.1	7.9	3.8	1.00
o	•Wellcome/personal care	UK	17.93	0.53	0.66	33.8	23.9	1.5	1.00
n	•Western Mining/metals-nonfer	Australia	16.24	1.20	0.68	13.5	7.3	3.2	4.00

Prices as of May 29, 1992. • Sponsored ADR. a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter. q: Nasdaq. E: Estimate. NA: Not available. NM: Not meaningful.

Sources: *Morgan Stanley Capital International Perspective and the International Edition of the Institutional Brokers Estimate System (IBES) via Randall-Helms DataScreen II; The Bank of New York; Forbes*

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

In case you hadn't noticed, the market hasn't been feeling well since January. The Dow industrial average, weighted with cyclicals, is up 4% since the start of the year, but the broader Barra All-US index is off 4%. Nasdaq stocks are off 6% so far this year.

This may be a good time to consider issues that traditionally have done relatively well in declining or flat markets. Eileen Rominger, whose $125 million Quest For Value Fund is one of 13 equity funds in Forbes' data base that rate an A+ in down markets, looks for "good companies taken down [in stock price] during a period of excessive fear," she says.

One favorite is Bermuda-based Exel Ltd. It writes corporate liability policies and sells for nine times earnings. The turmoil at Lloyd's of London, explains Rominger, has prompted firms seeking excess liability coverage to shun Lloyd's in favor of actuarially sound firms like Exel.

Special focus

These stocks are all down at least 60% from their 52 week highs, yet analysts expect earnings to rise by at least 15% next year.

In January Vicor Corp., a manufacturer of power converters, sold for 45¾, or 97 times trailing earnings. The stock has since fallen to 17½, putting it at 31 times trailing earnings and 16 times the 1993 forecast.

On average, the ten stocks below are down 65% from their 1992 highs.

Company	% Decline
Aldus	-76%
T2 Medical	-68
Sanifill	-65
House of Fabrics	-65
Fabri-Centers of Am	-64
Compression Labs	-62
Vicor	-62
Gottschalks	-62
Rohr	-61
Hancock Fabrics	-61

Source: Value Line via Value Line One Source

The overall market

Closeup on the market

Index or investment	2 week change	% change from 1 year	% change from 5 year high
Barra All-US index	-1.9%	-8.1%	-6.6%
S&P/Barra Growth index	-1.1	-0.8	-8.5
S&P/Barra Value index	-2.7	-11.7	-2.6
Dow Jones industrials	-2.4	-11.9	-3.8
S&P 500	-1.5	-3.3	-4.2
NYSE	-1.8	-8.1	-4.5
Nasdaq	-3.3	-15.1	-15.0
Amex	-4.1	-5.1	-10.7
EAFE	-2.5	-2.9	-26.1
CRB index	-0.7	-0.7	-23.3
Gold	-1.5	-3.3	-31.7
Yen	-3.3	-9.1	-23.7
Oil	-4.6	-10.2	-45.1

The best and worst performing stocks[5]

Best	Price	2 week change	1992 EPS	Worst	Price	2 week change	1992 EPS
Arctic Alaska Fisheries	3	+51%	$1.08	Ross Cosmetics Dist	5½	-62%	$0.70
Ashton	4	+25	0.12	Gitano Group	5⅛	-57	1.12
Geico	63	+20	2.92	AGCO	6	-56	NA
Chipcom	23	+20	0.43	Microdyne	7½	-47	0.83
Exabyte	25	+19	2.18	Advanced Micro Devices	8½	-44	2.87

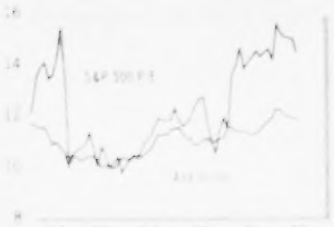
The best and worst performing industry factors[6,8]

Best	2 week change	Since 12/31/91	Worst	2 week change	Since 12/31/91
Forest products	+6.0%	+9.8%	Beverages	-10.3%	-3.9%
Tire & rubber	+5.2	+10.6	Oilfield services	-10.2	-4.7
Insurance	+3.4	+0.9	International oil	-7.5	-7.2
Agriculture	+3.1	+9.1	Coal & uranium	-6.3	-21.1
Thrifts	+2.9	+2.2	Trucking	-6.1	-3.0

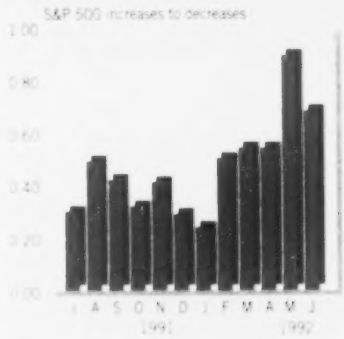
WHAT THE ANALYSTS THINK

BY STEVEN RAMOS

S&P 500 P/E* vs. Aaa bonds†



IBES estimate revisions index



Forecasting the S&P 500

Year	Estimated P/E	% change current vs. 3 months ago	Expected year-to-year EPS growth
1991	19.4	NA	14%
1992	15.6	2%	24
1993	12.8	3	22

1992 estimates for IBES industry groups

Rising estimates | Falling estimates

Securities analysts are expecting an earnings rebound in cyclical sectors such as consumer durables, transportation and technology. Positive changes in the Institutional Brokers Estimate System revisions index (*center graph*) may be another good omen for the economy. In June the revisions index—the ratio of estimate increases to decreases—was at 0.7. This looks low, but it is in fact quite bullish. Wall Street analysts are overoptimistic by nature, and usually spend much of the year busily cutting the rosy forecasts they made at the beginning of the year. So seven upward revisions for every ten downward revisions in June is pretty good.

Recent history suggests that a revisions index reaching this level or higher points to an earnings gain on the S&P 500 of at least 15%. That would put S&P 500 earnings for 1992 at $24.02 (before writeoffs and other nonrecurring items). But if the analysts are right, the S&P will chalk up earnings of $25.83 this year. With the 500 now trading at 403, that puts the stock market at a multiple of 16 to 17 times likely 1992 results.

Who's hot

Greatest increase in estimates over the past three months

Company / industry	1991 EPS	1992 estimate: recent	1992 estimate: 3-month change	P/E	3-month price change	Reason
Bank of Boston / banking	$ 1.63	$1.68	5.8%	14	22%	Strong asset quality, lower expenses
Informix / software	1.40	1.44	2.9	22	11	Increased revenues in North America, Europe and Asia
Wells Fargo / banking	6.97	7.19	3.2	11	9	Improved net interest margin
Signet Banking / banking	3.46	3.69	6.7	11	51	Reduced loan loss provisions, lower foreclosure costs
Goodyear Tire & Rubber / tires	3.69	4.39	19	15	2	Increased sales volume, stronger pricing

Who's not

Greatest decrease in estimates over the past three months

Company / industry	1991 EPS	1992 estimate: recent	1992 estimate: 3-month change	P/E	3-month price change	Reason
AMR / airlines	$ 2.88	$1.35	-67%	46	-20%	Higher fuel prices, competitive fare wars
Airborne Freight / air freight	1.39	0.83	-54	18	-43	Competitive pricing pressures, eroding margins
Michael Foods / packaged foods	1.08	0.60	-48	22	23	Weak pricing for firm's commodity products
Deere / machinery	0.46	0.97	-48	42	23	Reduced production and sales volumes
Lyondell Petrochemical / chemicals	2.78	1.26	-36	20	-2	Surplus in petrochemical supply, declining margins

Note: Companies listed have a market capitalization of $100 million or more. Actual: Earnings projections are Wall Street consensus estimates data from 3,000 security analysts compiled by the Institutional Brokers Estimate System, a service of IBES, Inc. Aaa bond yield forecasts supplied by Blue Chip Economic Advisors. NA: Not available.

Transaction costs and taxes kill most active traders. That's why no market-timing letter beats buying an index fund and standing pat.

Buy-and-hold

BY MARK HULBERT

Mark Hulbert is editor of the Alexandria, Va.-based *Hulbert Financial Digest*. His newest book is *The Hulbert Guide to Financial Newsletters* (New York Institute of Finance).

It's tough for an active trader to beat the market when brokerage commissions and bid/ask spreads are counted. Figure in taxes for a high bracket investor and it's next to impossible. Most active traders are losers.

To see why, let's consider the *Value Line Investment Survey* and its famed stock ranking system. *Value Line* claims a truly phenomenal performance for the investment letter—a compound annual 22.7% over the ten years through the end of 1991. (At 23% money doubles in just over three years.) That compares with the 16.4% total return of the Wilshire 5000 over the period.

But that's on paper. Let's now return to the real world of taxes, spreads, commissions and the Postal Service. Assume that all trades took place at prices prevailing when *Value Line*'s recommendations hit the market, rather than the prices just before then, as *Value Line* used to do. Now assess a realistic 1% discount brokerage commission on all purchases and sales. Finally, subtract taxes at rates applicable to an upper middle income investor. What do you get?

I estimate a much lower number: a compound annual gain of 13.3%. Those costs reduce the theoretical profit by some 40%. (My estimate was based on the fact that the stocks in *Value Line*'s universe typically remain top ranked for less than six months; over the last decade, therefore, only rarely would *Value Line*'s gains have qualified for preferential capital gains tax treatment.)

To make a fair comparison, let's look for a real world counterpart to the Wilshire number. An investor could have bought into the Vanguard Index 500 Fund ten years ago. He'd owe taxes on distributions but, assuming he intends to stay in the fund indefinitely, nothing on the substantial unrealized appreciation in the value of each fund share. This buy-and-hold investor would have enjoyed a compound annual return of 13.5%.

In short, the chap who just sat there, scarcely glancing at the stock quotations or the financial journals, would have done better than the chap who breathlessly acted on *Value Line*'s admittedly excellent advice in a taxable portfolio.

What *Value Line* cannot deliver with its fine record, market timing letters cannot deliver, either. In the accompanying table I show results both before and after taxes for the market timing letters in my database. (*Value Line* is included in the table on the basis of its market timing, not for its stock picking.) Not a single one beat a buy-and-hold over the past ten years. Followers of these letters may have gotten fun and excitement from all their trading, but they didn't get paid for all that time and effort.

Moral: If you are going to trade actively in a taxable account, be honest with yourself and call it sport, not business.

The market timing strategies that were hurt the least by taxes were those that switched the least. *Market Logic*, for example, which beat the other timers over the last decade on an aftertax basis (even if it didn't beat the market), advocated the least-frequent switching of any of them—the equivalent of just one switch in ten years.

If your temperament isn't suited to buying a portfolio and just sitting on it forever, there are two other things you can do to overcome the powerful drag of capital gain taxes. One is to sell losers while letting winners run. The loss positions can shelter some income from other sources, such as salaries and dividends. An alternative strategy is to do your trading in a tax-deferred account—namely, a self-directed IRA or Keogh. ■

The heavy toll on heavy traders

Newsletter (Timing System)	Pretax return[1]	Aftertax return[1]
Market Logic	17.7%	12.9%
Telephone Switch Newsletter	17.1	12.0
Bob Nurock's Advisory (Technical Market Index)	16.2	10.8
Elliott Wave Theorist (Investors)	16.3	10.4
Professional Timing Service (Supply/Demand Formula)	14.7	9.6
Value Line Investment Survey	14.5	9.3
Dow Theory Letters	13.9	8.7
Granville Market Letter	12.0	8.3
Dines Letter (Short-Term Trading Signals)	12.5	7.5
Professional Tape Reader (Mutual Fund Timing Advice)	10.3	6.2
Buying and holding an index fund	**17.1**	**13.5**

[1]Compound annual return, ten years to 12/31/91. Aftertax return uses federal tax rates appropriate for an investor with $100,000 of gross income in constant 1984 dollars, deductions equal to 20% of income (15% after 1986), and four exemptions. State taxes not included. Timer portfolios assume switches between the Vanguard Index 500 Fund and 90-day Treasury bills. No taxes deducted for gains still unrealized as of 12/31/91.
Source: Hulbert Financial Digest.

Of the ten market-timing letters for which a decade of performance is available, only one beat a buy-and-hold position for a tax-free investor. After taxes, every single timing system was worse than buying and holding.

C3955-1

Advertising: the latest trends in TV commercials

How to cope with falling money fund yields

August 3, 1992 Four Dollars

Forbes

Crime on the line

If you haven't been a victim of toll fraud, you probably will be

BETHESDA MD 20814-3319
4520 EAST-WEST HIGHWAY IM
CONGRESSIONAL INFO SER
STATISTICAL REF INDEX
FR8000053847O 81
**********5-DIGIT 20814

Forbes
AUGUST 3, 1992 VOLUME 150 NUMBER 3

Shoulder surfers, dumpster divers, diverters, hackers, even organized crime, are costing the U.S. $4 billion a year and rising in telephone fraud.
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O Bozhe Moi! Even $6 billion from the IMF won't help me buy at these prices.
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When it's time to sell.

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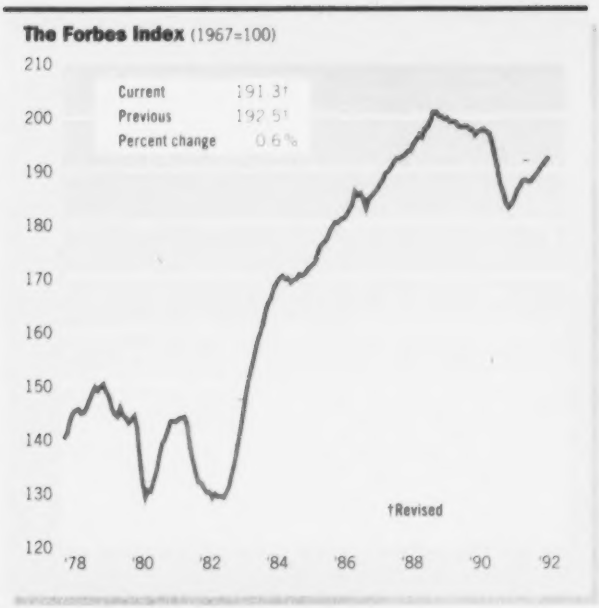
Editorial index is on page 8

Cover illustration by Michael Garland

THE FORBES INDEX

BY TIMOTHY DODMAN



June's dismal unemployment figures prompted the Federal Reserve to lower interest rates yet again. A number of banks followed suit and reduced their prime rates to 6%. Short-term rates are now at their lowest levels in nearly 30 years. But as of May, consumers continued to reduce their nonmortgage debt load. Total installment credit outstanding fell at a 4% annual rate in May, to the lowest level since December 1989. This augurs well for the long term, but indicates that consumers still lack the confidence to spend heavily in the months leading up to the election.

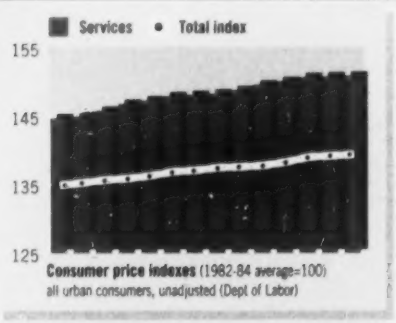
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.0%
Auto sales year to date vs 1991[1]	Ward's Automotive	2.3%
Index of leading indicators May vs Apr	Dept of Commerce	0.4%
Trade balance 12 months ending April	Dept of Commerce	-$66 bil
All-commodity producer price index June vs May[2]	Dept of Labor	0.6%
GDP 1st quarter vs 4th—annualized growth	Dept of Commerce	2.7%
M2 (3-month change)—annualized growth[3]	Federal Reserve	0.1%

[1] U.S.-based manufacturers, excludes imports, as of 6/30/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

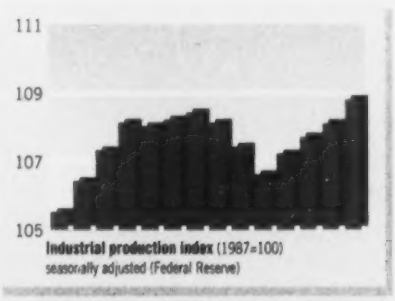
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months data for each series are presented below.

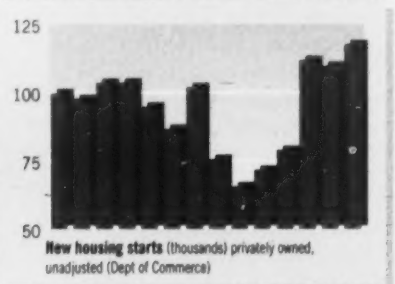


Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

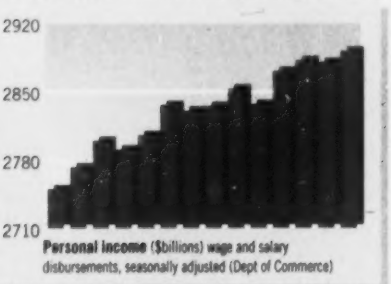
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



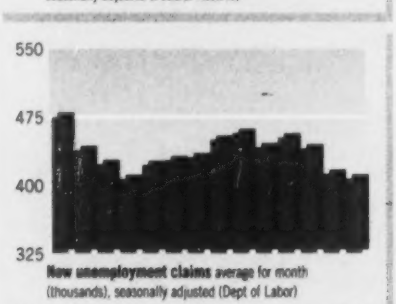
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

A M J J A S O N D J F M A M A M J J A S O N D J F M A M A M J J A S O N D J F M A M

Here comes another big transatlantic new equity issue. But will it fly?

Wellcome worries

By Peter Fuhrman

BY EARLY AUGUST the controlling shareholder of British pharmaceutical giant Wellcome Plc. hopes to sell to the public 37% of the company for a consideration of $5 billion. A quarter of the issue's 330 million shares will be marketed in the U.S.

Will the capital markets digest this huge deal? The signs are not good. The U.S. new issues market has peaked *(see p. 102)*. And there are specific worries regarding Wellcome.

Solvency is *not* a concern. Started in 1880 by two American pharmacists, London-based Wellcome is a $3 billion (sales) company that earned nearly $800 million, pretax, last year.

Belying its size, Wellcome's product base is rather narrow. At least 45% of Wellcome's current sales (and a larger slice of likely future profits) comes from producing the world's two leading antiviral drugs, the herpes and shingles treatment Zovirax, and the AIDS drug AZT. And Wellcome's hold on both drugs is uncertain.

Start with AZT, technically the drug zidovudine. Since 1987 Wellcome has been the exclusive patented supplier of this drug. Worldwide, AZT sales should rise by 30% this year, to around $400 million. Brokers flogging the Wellcome shares say sales could double within three years.

Wellcome faces two serious legal challenges on AZT, however. In Canada, a preliminary ruling in May gave approval to Apotex, an affiliate of U.S. generic pharmaceutical firm Barr Laboratories, to begin selling its generic version of zidovudine. Apotex's price in Canada, $1.10 a capsule, is 33% lower than Wellcome's. This fight will be tied up in Canadian courts for another two years at least. But during this time Apotex can sell its version of zidovudine. Its cost of production: 50 cents a capsule. Also worrisome to Wellcome, Apotex is selling its AZT product to a Bahamian company that sells it in the U.S. by mail order, despite warnings from the U.S. Federal Drug Administration that such sales may be illegal.

Barr Laboratories has also asked U.S. courts to declare Wellcome's AZT patents invalid. Barr's case hinges on the role of the U.S. government's National Institutes of Health in discovering zidovudine. The NIH argues that its scientists at the National Cancer Institute invented the drug, but that Wellcome, which first put zidovudine to use fighting AIDS, hid this fact from U.S. patent authorities.

Last year the NIH assigned its rights as inventor of zidovudine to Barr Laboratories. Wellcome is suing to block Barr from selling its generic; the trial is scheduled to begin next May.

Wellcome's other mainstay product is Zovirax, the herpes and shingles treatment that is the fourteenth-best-selling drug in the world. Unfortunately for Wellcome, its patents on the product begin running out in four years; the patent in the U.S., the largest market for Zovirax, expires in 1997. The company is working on new patentable versions of the drug. But sales will shift over time to lower-profit over-the-counter versions.

None of the money looked for in the public offering will go to the company. Until 1986 all Wellcome shares were held by the charitable Wellcome Trust. At that time the trust floated 25% of the shares on the London market. Now the trust is hoping to sell half its remaining 75% holding. Thirty weighty investment banks from Europe, the U.S. and Japan are helping the trust market the issue—but none is willing to underwrite the deal.

The issuing price is expected to be around $16 a share. That's a far cry from the $22 a share Wellcome traded at four months ago. But even so, the price is a hefty 27 times prospective 1992 earnings. This would value Wellcome on a par with the drug sector's leading firm, Merck & Co.—which has a much better diversified product base—and well above most U.S. drug firms *(see table)*.

Will the Wellcome financing go the way of aircraft lessor GPA Group (FORBES, *June 22*), that other big transatlantic equity offering that was canceled in June for lack of demand? If so, it will send another shiver through the executive offices of companies with big equity issues in the pipeline. ■

Is the price too high?

Company	Recent price	Latest 12-mo P/E	Sales ($mil)	Earnings ($mil)	Market value ($mil)	5-year average ROE
Wellcome	16⅞	27.0*	$2,932	$467	$14,500	20.3%
Abbott Labs	29½	22.3	6,877	1,089	25,091	32.8
American Home Products	75¾	16.7	7,079	1,375	23,908	43.0
Bristol-Myers Squibb	66⅞	16.4	11,159	2,056	34,742	30.7
Glaxo Holdings	26⅛	24.9	5,441	1,362	39,177	27.4
Eli Lilly	65⅜	14.0	5,726	1,314	19,130	27.0
Merck & Co	50¾	26.7	8,603	2,122	58,846	43.8
Pfizer	77⅛	34.9	6,950	722	25,424	16.9
SmithKline Beecham	42⅞	18.6	8,761	931	22,831	14.5

*P/E is based on consensus estimate for fiscal 1992 earnings for the year ending Aug. 31.

Sources: Value Line via Lotus One Source; Forbes.

Big U.S. corporations invested capital in Beijing and lost a lot of it. Robert Theleen invested on the coattails of Hong Kong industrialists pouring into Guangdong and did well.

Greater China, greater profits

By Andrew Tanzer

ChinaVest Ltd. Chairman Robert Theleen
"Disposable income is growing faster than in any country this century."

While growth in most of the world's big economies remains anemic, coastal China booms. The economy of the Pearl River Delta in southern Guangdong province is expanding by 20% a year; personal incomes in that region of 20 million people have swelled an astonishing tenfold since the late 1970s.

While this fact is finally penetrating boardrooms in the U.S., it's old news to Robert Theleen, 46, chairman and cofounder of Hong Kong-based ChinaVest Ltd. Through three funds ChinaVest manages $100 million of U.S. and European institutional money (investors include Ameritech, Continental Bank, Siemens and John Hancock), plus money for wealthy families. Theleen boasts of compound annual returns of 30%, 28% and 26% on his three investment pools, all launched since 1985.

Theleen's theme is investing with entrepreneurs in "Greater China"—by which he means the region of 120 million Chinese encompassing Taiwan, Hong Kong and China's two southern provinces of Guangdong and Fujian, all of which are rapidly becoming one integrated economy. "You can't find a better model for growth than the overseas Chinese entrepreneurial mind," asserts Theleen, a professorial former banker. To put it another way: Invest in people, not in fixed assets.

Chicago-born Theleen first came to Asia while serving in military intelligence during the Vietnam War. He later worked as a banker in Singapore and Hong Kong and then became a self-employed consultant.

Theleen didn't make much money as a consultant, but he did learn a valuable lesson: The large American firms that rushed into China in the early 1980s made a big mistake when they focused on Beijing, the seat of bureaucracy. By contrast, the investors who made money in China were the Hong Kong Chinese businessmen who were being pinched by rising costs in Hong Kong and who looked for cheaper labor just across the border, in Guangdong. "For them, it was either China or bankruptcy," says Theleen.

In 1985 Theleen opened his first ChinaVest fund with the help of three American partners—two bankers and

Hong Kong as entrée to Greater China

Company/business	Share price	EPS 1991 (in U.S. cents)	EPS 1992E (in U.S. cents)	P/E 1992E	Dividend yield	Price/ book
Citic Pacific/property development, finl svcs	172	9.23	13.08	13.1	1.9%	2.1
Grande Holdings*/computer components	7	0.81	NA	NA	3.9	1.6
Guangdong Investment/property development	49	0.60	2.56	19.0	1.1	3.0
Harbour Ring International Holdings*/toys	16	3.04	3.06	5.1	6.5	3.1
Hopewell Holdings/construction, prop development	71	5.77	5.26	13.5	4.7	1.7
IDT International*/consumer electronics	14	2.27	1.97	7.2	4.1	1.5
Luks Industrial*/TV sets	37	2.90	2.69	13.6	2.8	2.3
CP Pokphand/agribusiness, motorcycles	36	2.53	2.69	13.3	3.2	4.2
Swilynn International*/videocassettes	15	2.05	2.31	6.5	7.7	1.9

Share prices as of July 3. *Held by ChinaVest. E: Estimate. NA: Not available.
Sources: Baring Securities; Sun Hung Kai Securities; Peregrine Brokerage; Forbes.

Money manager Theleen says these Hong Kong companies are benefiting from the capitalist ferment in China, Hong Kong and Taiwan. He owns positions in the asterisked companies.

a lawyer—and his wife, a French-educated Chinese with expertise in China trade. That fund put out $12 million over five years, mainly in Hong Kong companies moving production of goods such as TV sets, videocassettes and electronic components to China. The pool's value today is estimated at $20 million.

An early winner was a freight forwarder servicing the factories sprouting in southern China. ChinaVest sold its stake after 2½ years for a 250% gain to East Asiatic, a Danish trading company.

In late 1987 ChinaVest launched its second fund, TaiwanVest. The export-oriented Taiwanese were getting rich and the government was lowering import barriers under U.S. pressure. Theleen figured the Taiwanese would start spending. So the fund invested in converting a former Reebok shoe manufacturer into a Reebok retailer. TaiwanVest took a position in a theme park developer and distributor of theme park equipment from North America. It introduced home-delivered pizza to Taiwan by backing the franchisee for Domino's Pizza. Another investment got the fund into distributing Philip Morris cigarettes, Heineken beer, Johnnie Walker scotch and Campbell soup.

With his third fund, ChinaVest II, launched in mid-1989, Theleen continued his Greater China theme by financing Taiwanese entrepreneurs investing on the mainland. This fund also includes investments in Chinese entrepreneurs in the U.S. For example, ChinaVest II bought into Torrance, Calif.-based Electronic Ballast Technology, a producer of energy-saving transformers for fluorescent lighting. Electronic Ballast is run by Chinese-American engineers with production in Taiwan; its sales have leaped from $5 million in 1988 to a projected $56 million for 1992.

Theleen usually invests as a middle-stage venture capitalist, typically selecting already profitable companies with sales of $10 million to $50 million as targets. The investment often takes the form of debt carrying a below-prime coupon and convertible into 10% to 40% of a company's common shares. If the company prospers, ChinaVest winds up owning inexpensive common stock—the conversion price of the equity may come to 6 or 10 times earnings at the time of conversion. When time comes to unload some of these equities, the ChinaVest funds ought to find a ready market. Closed-end China funds for retail consumption are coming to market (e.g., PaineWebber's Greater China Fund) and will be looking for something to put their money into.

Now that incomes are beginning to surge in southern China, Theleen is steering ChinaVest II to that region's consumer goods sector (manufacturing and retailing). ChinaVest is planning to open garment and footwear stores in China; by the end of the year it will open its first Domino's Pizza outlet in Guangdong. With the fourth ChinaVest fund, which he is launching this year, Theleen also wants to work with an international hotelier to build a chain of hotels in the burgeoning cities and towns of the Pearl River Delta.

"Henry Ford's ghost has descended into Guangdong," says Theleen. "Disposable income in southern China is growing faster than in any country this century."

ChinaVest uses Hong Kong and Taiwan as test markets, or incubators, for products and services to be launched in China. For example, a Hong Kong watchmaker that is now in ChinaVest's first portfolio acquired a prestigious-sounding Swiss brand name, Enicar. Theleen says the company is selling 40,000 watches a month in China at up to $100 each—more than the average monthly wage in Guangdong. ChinaVest bought a 15% stake in the watchmaker for $1 million in 1988, when sales were $3 million; last year the watchmaker earned $6 million, aftertax, on sales of $24 million.

But ChinaVest has had its share of duds, too. For example, ChinaVest's first fund wrote off a $1.4 million investment in *Far East Business*, a magazine edited and published by former *Business Week* editor Lewis Young. TaiwanVest wrote off a $1 million investment in a manufacturer of catalytic converters founded by a former executive of GM Taiwan. Theleen thinks it's not coincidental that all three of his flops were founded by businessmen over 60.

After making his share of mistakes, ChinaVest's Theleen now has a crystal-clear conception of the kind of Chinese entrepreneur he wants to back. "He has a very simple objective," says Theleen of his idealized partner. "He's not interested in cleaning up the environment, or in saving the people in Guangdong, or in affirmative action. He's interested in making money."

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

Utility stocks fared badly in the first quarter but bounced back nicely in the second quarter and into July as investors have scrambled to cope with falling money market yields. Douglas Preiser, a utility analyst for Kidder, Peabody, likes companies whose dividend payout ratios are below the industry average of 80%.

But Preiser looks beyond the raw numbers. What if a utility is losing commercial accounts as business customers shift to on-site generation? Or operates in a state where utility regulators are on a rate-cutting rampage?

Preiser has decided he likes Entergy (formerly Middle South Utilities), which is planning to merge with Gulf States. Entergy yields 4.7% now, but Preiser expects a 14% dividend increase during the third quarter; that would boost the yield to 5.4%. Another of his choices is Western Resources (yield, 6.6%), formed earlier this year by the merger of two Kansas utilities.

Special focus

Still relatively depressed thanks to the sluggish economy, these grocery stocks appear to be good values. They're all selling for less than 15 times the earnings that analysts expect them to report this year, per the Institutional Brokers Estimate System. The cheapest, Safeway, sells for an estimated ten times estimated 1992 earnings.

Bargains at the checkout counter

Company	1992 Est P/E
Safeway	10
Kroger	11
American Stores	11
Ruddick	12
Vons Cos	12
Casey's Genl Stores	12
Great A&P Tea	13
Weis Markets	13
Giant Food	13
Hannaford Brothers	15

Sources: Value Line, IBES

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	2.7%	9.6%	-4.1%
S&P/Barra Growth index	3.9	12.6	-5.0
S&P/Barra Value index	1.9	13.4	-0.8
Dow Jones industrials	1.2	12.3	-2.6
S&P 500	2.8	9.9	-1.6
NYSE	2.7	10.2	-1.9
Nasdaq	3.0	15.6	-12.4
Amex	2.1	5.5	-8.9
EAFE	-1.4	-1.1	-25.6
CRB index	-0.6	-1.2	-24.4
Gold	3.5	-5.2	-30.6
Yen	-3.0	-9.4	-23.4
Oil	-2.5	0.5	-48.0

The best and worst performing stocks[5]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
DFSoutheastern	29 ¾	68%	$2.00	Easel	7½	-64%	$0.90
REN Corp-USA	11 ½	48	0.45	Quarterdeck Office Sys	4½	-59	0.71
Advanta	19 ¼	35	1.62	Technology Solutions	7¼	-53	1.21
Kentucky Cent Life Ins	9⅝	32	0.58	Network General	8⅛	-51	0.93
Durr-Fillauer Medical	27 ½	31	1.55	Carlisle Plastics	3⅛	-43	0.97

The best and worst performing industry factors[6,8]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Tobacco	11.7%	5.2%	Coal & uranium	-9.8%	-28.6%
Photographic, optical	9.0	-14.5	Motor vehicles	-5.4	33.8
Cosmetics	7.1	-3.9	Chemicals	-4.3	5.0
Beverages	7.0	11.9	Forest products	-4.2	34.6
Misc finance	6.9	-3.0	Trucking	-3.5	-0.1

Note: Data for period ending 7/9/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

NEW ISSUES REVIEW

BY WARREN MIDGETT

The biggest new issues[1]

Company/business	Exchange	Offer date	Offer price	Recent price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
First Data/credit card processing svcs	n	4/9/92	22	24⅛	$968	Lehman Brothers	13%	111
Ultramar/petroleum prods	n	6/26/92	15	15⅛	495	Goldman, Sachs	1	100
Boston Scientific/medical prods	n	5/18/92	17	17⅛	400	Goldman, Sachs	1	102
General Instrument/cable tv equip	n	6/10/92	15	14⅛	330	Goldman, Sachs	-4	96
Reliance Electric/electric motors	n	5/5/92	19	17¼	301	Goldman, Sachs	-9	93
Arkansas Best/trucking	o	5/13/92	14	11⅝	219	First Boston	-17	85
Riverwood Intl/paper prods	n	6/17/92	14	14⅛	157	JP Morgan	0	99
Intl Family Entertainment/cable tv	n	4/28/92	15	12¾	150	DLJ	-14	86
John Nuveen/investment banking	n	5/19/92	18	16⅛	144	Goldman, Sachs	-7	95
Kohl's/department stores	n	5/18/92	14	18½	136	Morgan Stanley	30	132

Performance update

The market for new issues has cooled considerably from the first quarter of 1992. Securities Data Co. reports that in the first three months of the year 142 offerings came to market, raising $7.8 billion. In the second quarter the totals dropped to 119 companies and $5.6 billion in new capital.

Another sign of a troubled new issues market: the growing number of proposed offerings that are scaled back, postponed or canceled. Dr Pepper/Seven-Up had planned to go public for $23 per share in a $550 million deal underwritten by First Boston. By the last week in June the company realized it was unlikely to get its asking price, and so withdrew the offering. Likewise, Gulfstream Aerospace canceled an issue led by Morgan Stanley, and GPA Group, the huge aircraft lessor that badly needs new equity (FORBES, *June 22*), withdrew its Goldman, Sachs-led offer.

Securities Data can name 82 companies that went public for the first time in May and June at prices below those originally filed with the Securities & Exchange Commission. Joe Miller, an analyst at Securities Data, says another 61 issues were postponed and 13 canceled in the first half of the year. Miller sees this as a strong indication that the market for initial public offerings is out of steam.

The best new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Reno Air/airline	3	$5	Paradise Valley Secs	108%	213
Natl Vision Assoc/vision centers	13	33	Robinson-Humphrey	52	155
Bell Sports/helmets	15	45	William Blair	37	134
Credit Acceptance/financial svcs	13	26	William Blair	37	138
Starbucks/coffee shops	17	36	Alex Brown & Sons	31	129

The worst new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
AGCO/farm equip	14	$5	First Boston	-54%	47
Affinity Biotech/pharmaceutical prods	6	33	Penn Merchant Grp	-48	53
Adesa/auto auctions	11½	45	Robinson-Humphrey	-46	55
On the Border Cafes/restaurants	8	26	The Principal/Eppler	-43	58
Intramed Labs/surgical equip	5½	36	HJ Meyers	-32	69

The most active investment bankers

Underwriter	Total offerings	Total raised ($mil)
Goldman, Sachs	30	$4,369
Morgan Stanley	26	2,768
Lehman Brothers	29	2,125
Merrill Lynch	20	2,280
First Boston	25	2,006

Industries going public

Industry	Total offerings	Total raised ($mil)
Manufacturing	183	$9,272
Services	72	2,814
Health care	38	2,233
Retail	40	1,866
Insurance	13	1,696

Note: This report covers initial public offerings of common equities with offer date of 4/1/92 to 6/30/92, offering price of $2.50 or more and offering value of $5 million or more. Closed-end funds, limited partnerships, and ADRs (American Depositary Receipts) of corporations already traded in foreign countries are excluded, as are REITs and spinoffs. [1]Last quarter. [2]The ending value of $100 invested in the stock, divided by the ending value of $1 invested in the market. [3]Latest 12 months. Source: Securities Data Co.

Investors looking to replace the returns they have lost in their money market accounts should consider the Baby Bells.

Baby boom?

BY R.S. SALOMON JR.

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UNTIL RECENTLY investors enjoyed an unusual luxury: They could park their savings in U.S. government money market funds and earn high real returns with virtually no risk attached. But with short-term rates approaching 3%, the party is officially over. People seeking to mitigate the drop in their investment income are now confronted with a dilemma: They can stay with a money market fund and accept its inadequate yield or they can consider a wide range of investment alternatives that are riskier than Treasury bills.

Over the past two years the rate available on money market funds has dropped from 8% to 3%. At the current level, money market investors are hardly staying even with inflation. This is a dramatic change from the experience of the past ten years, when Treasury bills returned 7.6% and inflation was 4%, giving holders a real, inflation-adjusted return of 3.6%. Note that I haven't even factored in taxes.

Not only do investors now have to find alternatives to money market funds, but they also have to rethink their investment objectives. Once upon a time, individuals divided their income into two parts: one for savings (to be invested in long-term instruments, usually stocks or bonds) and the other for cash (to be invested in short-term, easily redeemable instruments so as to meet the rent or the electric bill). But when short-term rates stayed high for a long period, people stopped allocating their money between these two categories. Able to earn high rates and retain the flexibility of short-term instruments, they stopped worrying about how much money ought to go into stocks and bonds and put it all in money markets.

Now that short rates have dropped again, the old allocation decision will come back into style.

Investors looking to replace the returns they have lost in their money market accounts should consider the seven Bell regional holding companies, also called the Baby Bells. A portfolio of these stocks is not the place for short-term funds, however. Buyers should be prepared to hold on to these issues for the next three to five years.

The Bell regionals provide local phone service across the country. The accompanying table presents earnings, dividend and valuation data for the group. Telecommunications technology is changing rapidly, and phone companies now have to deal with competition in an increasing number of areas. Despite these changes, the regionals remain high-quality companies. The group has underperformed the overall market for the past two years. The average dividend yield is now 5.3%; historically the companies have increased their dividends at an average rate of about 4% each year.

The combination of the current yield and some dividend growth suggests that, with no change in these companies' business prospects, the stocks could generate a total annual return (current yield, plus capital appreciation reflecting dividend growth) of roughly 9%—quite close to the levels once generated by money market funds.

And the returns could be higher. The no-change-in-business-prospects assumption is probably a worst-case scenario. Responding to competitive pressures, the holding companies have moved to cut costs and make their businesses run more efficiently. This suggests that earnings growth could improve over the next few years, boosting both stock prices and, potentially, the rate of dividend increase.

The Baby Bells are not identical. Each operates in a different geographic region, with varying economic characteristics and growth prospects. Moreover, regulators are not the same across the country. Investors can balance these variables by buying a basket of the companies, putting roughly the same amount of money in each stock and effectively diversifying the regional risks.

Bell regional holding companies

Company	Price	Dividend	Yield	1992* EPS	Payout	P/E*
Ameritech	66	$3.52	5.3%	$4.85	72.6%	13.6
Bell Atlantic	47	2.60	5.5	3.10	83.8	15.2
BellSouth	53	2.76	5.2	3.45	80.0	15.4
Nynex	81	4.64	5.7	6.40	72.5	12.7
Pacific Telesis	41	2.18	5.3	3.00	72.6	13.7
Southwestern Bell	63	2.92	4.6	4.20	69.5	15.0
U S West	38	2.12	5.6	3.05	69.5	12.5
Average			**5.3%**		**74.4%**	**14.0**

*Estimated.

The Baby Bells operate in different economic and regulatory environments. So the best investment approach might be a little of a number of these stocks.

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Exxon: Is it living off capital?

August 17, 1992 Four Dollars

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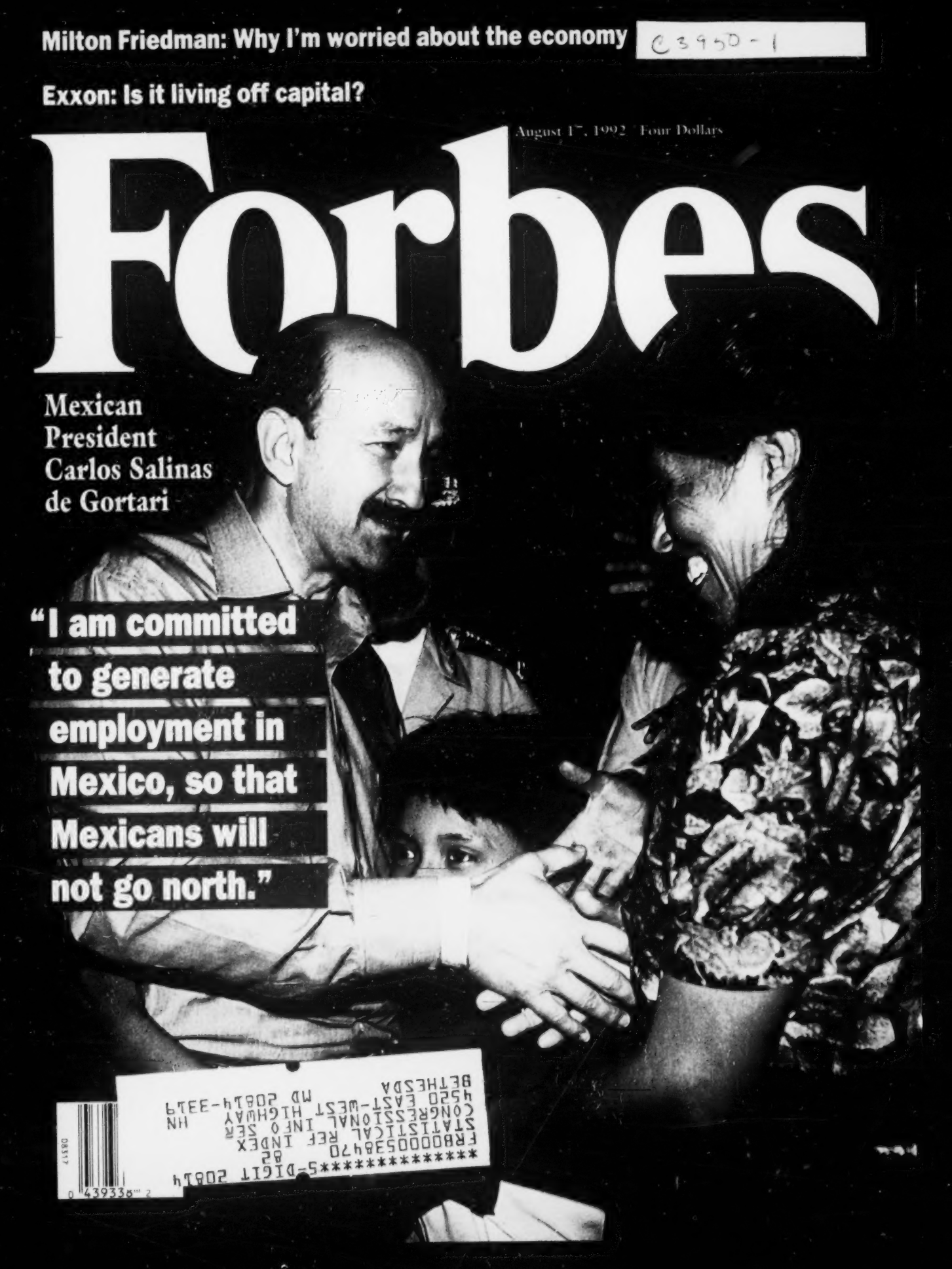
Mexican President Carlos Salinas de Gortari



"I am committed to generate employment in Mexico, so that Mexicans will not go north."

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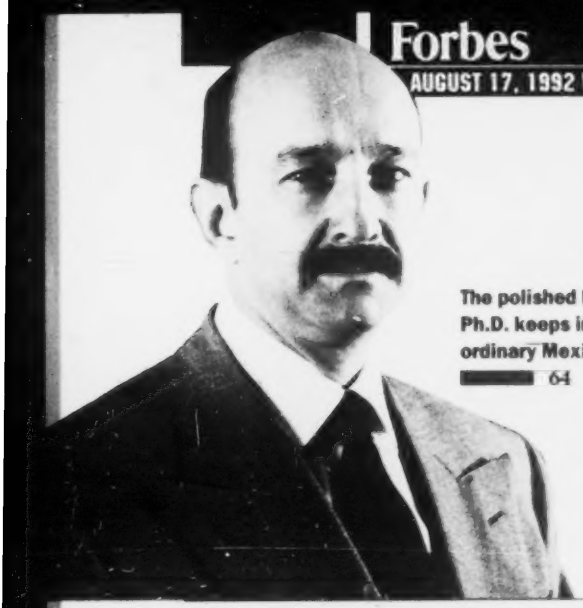

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Cover photo by Sergio Dorantes

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Reregulating cable will increase costs

IN AN ELECTION YEAR it is perhaps inevitable that even many Republicans in Congress now support reregulating the 11,000 operators in the U.S. cable television industry. It's a popular issue that has been pushed by, among others, the liberal Ralph Nader (who has interests in over-the-air broadcast television—see FORBES, Sept. 17, 1990). Cable operators have become tarred as arrogant monopolists who price-gouge and give lousy service.

Unlikely as it may sound, President Bush more or less invited the Republicans to vote for the current bill that would reregulate the cable industry. In late July Bush apparently hinted that he would veto any reregulation of cable TV—unless Capitol Hill passed the bill by a veto-proof margin. Congress seems to have taken the hint: Both houses passed similar reregulation bills by very wide margins.

The eventual bill, expected to emerge in mid-August, will, if anything, add to cable systems' costs. Ironically, this will tend to put rates to consumers up rather than down.

Reregulation will also put the Federal Communications Commission in a bind. The commission is trying to put downward pressure on cable prices and ease regulation on the local telephone companies by allowing the telcos to offer video services over the telephone lines, in competition with cable. In mid-July the FCC allowed local phone companies to offer their wires to anyone wanting to use them to distribute TV or even data to consumers; the telcos would be able to own 5% of any such ventures.

Increased competition will do the job much better

ALL THIS POLITICKING obscures more important fundamentals. Cable TV is now a $23-billion-a-year industry; 87% of those revenues come from subscriber fees. That's close to the size of broadcast TV (annual revenues $26 billion). The justification a decade ago for the government to protect the cable industry by regulating the telephone companies was that the cable systems were tiny. But today cable can certainly stand on its own feet.

Over-the-air broadcasters have, of course, been pushing hard to reregulate cable, which has siphoned off tens of millions of their viewers. But the broadcasters were surprised by the strong support received by a last-minute addition to the House version of the bill that would allow other competing systems—such as wireless cable and direct broadcast satellite services—more access to the cable operators' programming. This would hurt one group of the broadcasters' competitors but help others.

Meanwhile, the local phone companies' attention was diverted by another turn-back-the-clock bill sponsored by Jack Brooks (D-Tex.). This bill would set in concrete the three main restrictions imposed under the consent decree that broke up the old AT&T. These prohibit the entry by the seven Baby Bells into product manufacturing, the long-distance business and information services, whether video or data. The Brooks bill would sentence the U.S. to a third-rate telecommunications system.

The best protection for consumers would in any case be increased competition, which would inhibit cable system operators from arbitrarily hiking fees. Evidence? The sample group is tiny, but there are 65 cable markets in the U.S. where there is direct competition between two or more providers. In these places basic cable service costs an average of $11 a month, versus a $17-a-month average for the rest of the country where monopoly service is the norm.

Such arguments will not, of course, deter politicians pandering to voters.

Cable TV, now a sizable $23-billion-a-year industry, is dominated by some large corporations more than capable of competing with the local telephone companies.

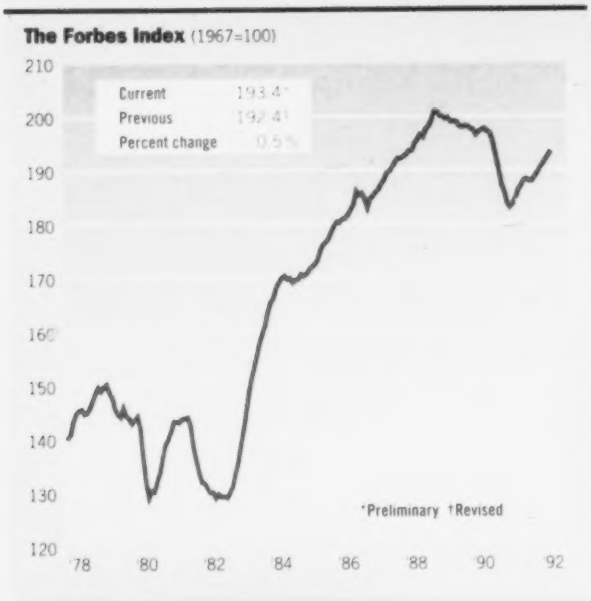
Company	Price recent	Price 52-week high	Price 52-week low	Latest 12-mo EPS	Sales ($mil)	Market value ($mil)
Adelphia Communications	19⅜	21¾	9½	$-8.80	$277	$276
Cablevision Systems	30	36	22¼	-10.31	603	742
Century Communications	9⅜	12¼	6⅜	-0.84	277	879
Comcast	17½	18⅝	12½	-1.22	721	2,415
Jones Intercable	12¼	14	7¾	-0.75	99	158
Tele-Communications	20¾	20¾	12¾	-0.26	3,827	8,686
Time Warner*	108⅜	112¼	77¾	-7.83	12,021	10,637
Viacom*	32	38½	26½	-0.10	1,712	4,103

*Cable is less than 40% of total business.

Sources: Value Line via Lotus One Source; National Cable Television Association.

THE FORBES INDEX

BY TIMOTHY DODMAN



A popular assumption is that the economy has taken another fall, but the preliminary Forbes Index for June looks rather promising. For example, there were 120,300 housing starts, a 16% increase over the comparable 1991 figure. New orders for durable goods rebounded 2.3% in June after May's 2.2% decline.

As for the current high unemployment rate, keep in mind that employment is a classic lagging indicator. In an economic recovery it takes time for employers to gain the confidence to add to their payrolls.

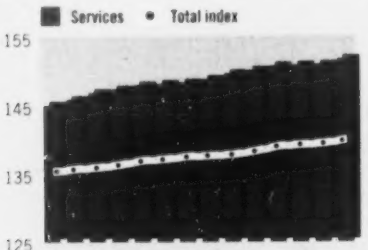
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.0%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.7%
Index of leading indicators May vs Apr	Dept of Commerce	0.6%
Trade balance 12 months ended May 1992	Dept of Commerce	-$68 bil
All-commodity producer price index June vs May[2]	Dept of Labor	0.6%
GDP 1st quarter vs 4th—annualized growth	Dept of Commerce	2.7%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.7%

[1] U.S.-based manufacturers, excludes imports, as of 7/10/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

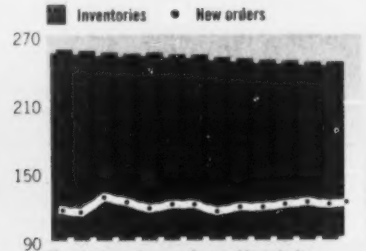
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

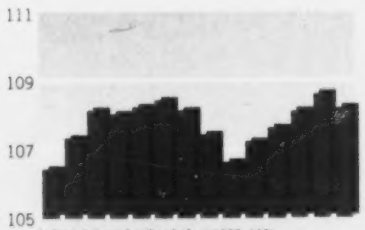
To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

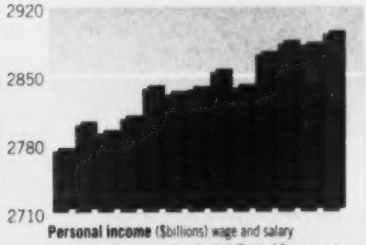


Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



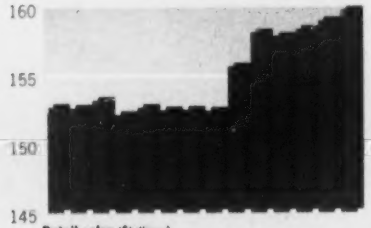
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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Tired of having his father say no to his ideas, Joel Dorfman took over the family company. What happened?

Father doesn't know best

By Toddi Gutner

Thorn Apple Valley's Joel and Henry Dorfman
"We are through just surviving."

AN ENGRAVED marble plaque in Thorn Apple Valley Inc.'s corporate conference room reads: "We are through just surviving." The hanging of the plaque proved to be an auspicious event: Soon after, Thorn Apple Valley's stock began an ascent that lifted it from 3 a share to 44, before it settled back to a recent 35½.

Henry Dorfman, the founder, is a survivor, and not just in business. Born in Poland, he and his father survived the Holocaust by jumping off the train bound for Treblinka. For three years the two hid in tunnels in central Poland. After the war Henry Dorfman found work as a butcher, selling meat to U.S. government officials living in Germany.

"I come from a long line of butchers," Dorfman says with a laugh in his broken English. "A knife to me is like a fiddle to a musician."

Dorfman, all 5 feet of him, immigrated to Detroit in 1949, and opened—what else?—a butcher shop. Two years later he bought a small hog slaughtering facility for $40,000, $5,000 in cash, the rest in a purchase money note. It took him just 18 months to repay the note and start acquiring other small slaughterhouses and meat processing plants in the midwestern and eastern U.S. By 1971 his company, then called Fredrick & Herrud, went public; his family retained 70% of the shares.

Henry Dorfman ran his business by intuition and instinct—damn the organizational charts! His strategy was simple: Buy small regional competitors that had achieved strong brand awareness and consolidate their production into his existing plants. Colonial was a strong regional hot dog brand in Massachusetts. Dorfman continued the brand name but closed the old, inefficient plant and moved production to his Michigan and North Carolina plants.

Old-timers tell stories of Dorfman hoisting his diminutive frame onto a table at meetings with protesting workers. His blue eyes flashing and partially formed English words spilling from his mouth, he would shout down the burliest union men. To this day Thorn Apple Valley remains an open shop.

His son, Joel, didn't get the hardening his father got, but he wasn't spoiled either. When he was 10, he began working for his father on weekends and during summers, stocking inventory, trading hogs—and, when he got big enough, slaughtering them. Working by day, he earned a law degree at night. "Being the boss' son," he says, "I was sensitive about bringing skills to the company that my father didn't have."

One skill his father lacked was the ability to convince Wall Street that

Undervalued still?

Company	Recent price	Latest 12-month EPS	P/E	Yield	Sales ($mil)	Market value ($mil)
Thorn Apple Valley	35½	$4.23	8.4	0.0%	$740	$137
ConAgra	27⅛	1.50	18.1	2.0	19,505	6,288
George Hormel	21	1.13	18.6	1.7	2,836	1,607
IBP	18⅜	1.12	16.4	1.1	10,388	870
Smithfield Foods	14½	1.37	10 6	0.0	1,072	219

Source: Value Line via Lotus One Source

Despite the rapid rise of Thorn Apple Valley's stock last year, Wall Street still values it less than its major competitors' stock.

Thorn Apple had any stability. It would show earnings of $7 million one year and lose $5 million in another, depending on the hog cycle.

Joel Dorfman knew that he would never get the kind of price he wanted on his stock so long as the earnings were so unpredictable. The stock was at 3 in 1987, versus its IPO price of 16. He saw a way out: He proposed tightening management structure, designing a marketing plan and setting up a central distribution warehouse in Michigan.

But dad said no. He didn't want to let go of the company he had founded. Joel Dorfman suggested taking the company private in a leveraged buyout. Henry couldn't see taking on the necessary debt, so he again said no. Thorn's big competitor, Smithfield Foods, Inc. (FORBES, *Feb. 3*), offered $10 per share for the company. This time both Dorfmans said no.

But Joel was getting fed up. Dad knew it. In 1988 he reluctantly stepped aside. Joel took over and adopted a new national sales and marketing plan that emphasized high-margin, premium branded products. Responding to industry trends toward leaner products, he increased the use of poultry, especially turkey, in processed meat, and expanded the product line. Drawing on his knowledge of the hog kill, Dorfman redesigned Thorn Apple Valley's hog slaughtering facilities in Detroit and Utah to give each employee more room and time to work. Production yields, the amount of salable meat removed from the hog, increased from 56% in 1989 to a recent 59%. Every 1% improvement in yield increases Thorn Apple Valley's revenues by $6 million.

Today old Henry Dorfman doesn't regret stepping aside. In fiscal 1991 Thorn Apple Valley earned over $19 million on revenues of $817 million—$4.43 a share. In 1992 earnings gained 8%, although revenues fell 9%. While the stock is up more than tenfold in the three years since he took over, it rankles Joel Dorfman that his P/E lags so far behind those of competitors *(see table, p. 78)*. Dad, however, isn't taking any chances. Last December the elder Dorfman cashed in 500,000 Thorn Apple Valley shares at around $33 a share. ■

Here's what can happen to nice investors who think they are safe just because a Big Six accounting firm is involved.

Reach for the sky!

By Richard L. Stern

Lee Sutliffe and girlfriend Carol Zandlo

They're smiling, but the bondholders are not.

In 1987 the Illinois Department of Public Health reported shocking conditions at some of the nursing homes owned and operated by First Humanics Corp. Among other things, inspectors found untended elderly patients tied to wheelchairs for hours at a time. Daily food budgets at some of the homes were cut to as low as $2.15 per day per patient.

In the end, First Humanics didn't treat its public investors any better. Starting in May 1989, First Humanics stopped making interest payments on the 21 tax-exempt revenue bonds it had sold separately, many of them to unsuspecting amateurs looking for high yield, from 1984 to 1987.

First Humanics had used the money to buy 17 nursing homes and a retirement center in Illinois and 3 nursing homes in Indiana, Michigan and Pennsylvania. In September 1989 First Humanics filed for Chapter 11 bankruptcy protection.

Badly burned were about 4,000 bondholders who wish they had never heard of Lee Sutliffe, the promoter behind First Humanics and the man to whom they had entrusted more than $82 million.

Of the $82 million raised, Sutliffe spent only $54 million to purchase nursing homes. What happened to the other $28 million?

Quite a bit of it was spent sprucing

The drop in interest rates is helping banks produce healthy earnings gains. They're paying a lot less for their deposits but holding the line on rates they charge for retail loans. Bank stocks are hot: While the Barra All-US total return index shows a 1.4% decline through June, the S&P index of bank stocks is up 18%.

Alex. Brown & Sons banking analyst John Heffern likes banks where profitability is due to more than just lower interest rates and a recovering economy. One Heffern pick is KeyCorp. With $23.1 billion in assets, this upstate New York bank is now expanding thousands of miles from home in the growing Pacific Northwest. For similar reasons Heffern likes Charlotte, N.C.-based First Union, which recently made small acquisitions in Florida and South Carolina. Heffern says these additions complement the larger purchases that First Union made in this area in the 1980s.

Special focus

The recent weakness in many international stock markets has made these stocks look cheaper. All of them currently sell for less than the average price/earnings multiple of their respective markets. And the international edition of the Institutional Brokers Estimate System expects 1992 earnings to rise at least 10% for each of these companies.

Bargains abroad

Company/Country	'92 Est P/E
Peugeot/France	6
Philips/Neth	8
Eurafrance/France	8
Worms & Cie/France	9
Fisons/UK	9
CGIP/France	9
Union Assurances/France	9
Akzo/Neth	9
Oce-Van Der Grinten/Neth	10
Provident Finl/UK	11

Sources: Morgan Stanley; IBES.

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-0.3%	8.3%	-4.3%
S&P/Barra Growth index[1]	-0.7	11.1	-5.6
S&P/Barra Value index[2]	-0.2	11.5	-1.4
Dow Jones industrials	-1.0	10.4	-3.6
S&P 500	-0.5	8.2	-2.1
NYSE	-0.4	8.6	-2.2
Nasdaq	0.1	15.3	-12.4
Amex	0.2	4.8	-8.2
EAFE[3]	-4.3	-8.2	-28.8
CRB index[4,5]	-0.4	-2.0	-24.7
Gold[5]	2.8	-1.7	-28.6
Yen[5]	0.9	-8.8	-22.7
Oil[5]	3.0	2.8	-46.4

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
Nicolet Instrument	20 1/4	74%	$0.82	Stac Electronics	5 1/4	-45%	$0.51
Hauser Chemical Research	15 5/8	36	0.48	Advanced Technology Labs	16 3/4	-38	1.09
Intelligent Electronics	10 1/8	33	0.64	Spartan Motors	14	-35	1.19
Quadrex	13 1/8	30	0.20	Symantec	20 3/4	-32	1.32
Preferred Health Care	12 1/8	29	0.44	Providential Corp	10 1/4	-26	0.88

The best and worst performing industry factors[6,8]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Containers	8.4%	21.6%	Railroads	-7.6%	-6.2%
Oilfield services	7.3	1.9	Electric utilities	-7.2	-8.0
Household products	6.9	3.4	Aluminum	-6.6	-7.3
Life insurance	6.4	5.2	Thrifts	-5.9	-3.0
Photographic, optical	4.0	-11.4	Gas utilities	-5.4	-2.0

Note: Data for period ending 7/23/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences, including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

BY STEVE KICHEN

Who made the most money?

Investment	Value of $10,000 invested 6/30/82[1]	Change last quarter
S&P 500	$54,278	2.0%
Wilshire Index	50,033	-0.1
Institutional equity account[2]	44,192	-0.3
Institutional balanced account[2]	39,005	1.8
Lehman Govt & Corp	34,766	4.1
Institutional fixed income account[2]	32,974	4.2
91-day T bills	20,498	1.1

Segment performance and cash flow

Segment	Most recent quarter: median total return	Most recent quarter: shift in institutional holdings
Equity	-0.3%	-0.1%
Fixed income	4.3	-1.9
Cash equivalents	1.0	4.2
Convertibles	2.5	-0.3
Other[3]	1.5	-0.1
Total	3.2	-0.2

HERE'S ANOTHER REMINDER that the average pension fund manager isn't worth his keep. A $10,000 hypothetical investment made in the S&P 500 ten years ago would now be worth $54,000, with dividends reinvested. The same amount put into an equity portfolio of a pension manager with results at the median grew to only $44,000. That's before management fees, moreover.

What did the institutional stock pickers do wrong? One thing is that, in their struggle to beat the averages, they traded a lot. That ran up both commissions and less visible transaction costs, namely, bid/asked spreads raked off by marketmakers. The other drag was their cash positions.

George Wolfe, a vice president at Wilshire Associates, which does data processing for the banking industry's Trust Universe Comparison Service, finds a third cause for underperformance. He points out that a manager hired to invest in growth stocks has to confine his picks to this segment. Even if the market seems too frothy, this manager cannot dump biotechnology or computer shares and buy defensive value stocks like food processors or utilities.

Wolfe says that only 23% of pension managers consider themselves value stock managers. But these individuals did fairly well: The median return for value management was 2.7% last quarter. But managers with a growth stock mandate took a drubbing. The median growth manager posted a 2.6% loss, while managers of small-cap growth stocks were off 8.4%.

What the institutions bought and sold

Big stocks[4]

Stock bought	Quarter total return	P/E	Stock sold	Quarter total return	P/E
Bruno's	-16.6%	18	First of America Bank	8.6%	9
Chrysler	19.0	NM	Kaufman	-23.2	27
Cummins Engine	9.0	NM	Intl Specialty Products	11.0	20
Duracell International	0.0	24	KU Energy	9.3	13
Enron Oil & Gas	20.3	30	LG&E Energy	6.0	14
Federated Dept Stores	-10.5	NM	Premark International	-24.1	10
Hospital Corp of America	0.0	NM	Silicon Graphics	-18.8	21
Marion Merrell Dow	-2.6	15	Society Corp	7.3	11
PolyGram NV	19.7	19	Sonoco Products	5.2	18
RJR Nabisco Holdings	-7.9	22	Super Valu Stores	-5.7	9
Santa Fe Pacific	2.1	20	Synergen	4.2	NM
Union Texas Petroleum	-7.7	6	Western Resources	4.8	14

Secondary stocks[5]

Stock bought	Quarter total return	P/E	Stock sold	Quarter total return	P/E
Allied Waste Industries	-22.2%	NM	American Superconductor	-5.6%	NM
Bel Fuse	38.1	NM	Exabyte Technologies	-11.6	NM
CellPro	-4.7	NM	Esco Electron	-13.9	NM
Douglas & Lomason	-32.0	6	Ezcorp	-36.1	50
Excalibur Technologies	-19.0	NM	Image Entertainment	-29.8	NM
Greyhound Lines	-28.2	NM	Irwin Financial	4.7	10
National Media	70.0	NM	Piper Jaffray Cos	-27.5	6
Penn Treaty American	17.0	7	Raymond Corp	21.4	NM
Valley Systems	12.5	26	Regeneron Pharmaceuticals	-26.2	NM
Waxman Industries	-35.3	NM	Sam & Libby	-55.0	7
Zebra Technologies	0.0	22	Sulcus Computer	-58.2	19
Zoom Telephonics	-11.3	27	Teknekron Communications	-51.7	5

[1]Total return. [2]Includes cash. [3]Real estate, foreign investments, venture capital, guaranteed income contracts. [4]Stocks with $1 billion or more in market capitalization at start of quarter. [5]Stocks with market capitalization between $40 million and $200 million at start of quarter. NM: Not meaningful.

Note: What the institutions bought and sold measures the change in the institutional holdings as a percentage of a stock's total capitalization, net of price changes. Data for quarter ending 6/30/92. Prepared by the Trust Universe Comparison Service (TUCS), a service of Wilshire Associates, Santa Monica, Calif.

The cyclicals have had their run for now. It's time to seek shelter in defensive stocks and cash.

Don't follow the leader

BY CHARLES E. BABIN

Charles E. Babin is managing director of BRS Capital Management, Inc., an investment management firm in Boston.

IF STOCK MARKETS had personalities, this year's market would be diagnosed schizophrenic. The Dow Jones industrial average appreciated 4.7% during the first six months of the year and established an alltime record close of 3413.21 on June 1. But the overall stock market isn't doing nearly as well. Measured by the S&P 500 stock index, the market declined 2.2% in the first six months. Even that understates the extent of the bloodletting on Wall Street. Robert J. Farrell, Merrill Lynch's chief market analyst, recently told a reporter that 45% of the 5,100 stocks Merrill tracks dropped 30% or more from the highs they made in the first quarter to their lows in the second quarter.

What's going on? In essence, the cyclical stocks—which heavily influence the Dow—have been responding to indications that the recession bottomed out a year ago. Not surprisingly, when the share prices of basic industrial companies took off, they pushed the Dow up 26% over the 18-month period ended June 30.

Will the cyclicals—stocks like General Motors, Goodyear and International Paper—continue to outpace the broader market? Or will the leadership now shift? A study of previous recoveries suggests that the cyclicals probably have had their run.

Why? Try a simple empirical exercise. Imagine a portfolio created by investing equal dollar amounts in the cyclical stocks within the Dow. The table looks at the portfolio's performance during bust-to-boom cycles since 1950.

Notice that, without fail, the cyclicals appreciated during the early stages of the economic upturns—just as they have done this time.

What I find especially striking in studying these figures is the inability of the cyclicals to hold on to their gains beyond the initial recovery year, 1970 being the notable exception. In fact, during five of the last seven recoveries, the portfolio declined by an average of 19% in the second year following the nadir of the business cycle. So when it comes to cyclicals, it's not enough to know when to hold 'em. You've got to know when to fold 'em, too.

What's my advice? I would err on the side of a defensive strategy. As I discussed in my May 11 FORBES column, at the end of March the relationship between interest rates and equity markets strongly suggested that cash equivalents—even at their current low rates of return—will beat the S&P for the April-September investment term. At the halfway mark, the S&P's track is akin to that witnessed after previous cash signals. So expect the overall market to languish over the balance of the summer. I would maintain a hefty cash position—something on the order of 50%. Yes, I know. It hurts to let money sit in T bills paying 3%. But any positive is better than a negative figure.

As for the other half of the portfolio, I would invest in defensive issues. While these stocks are not immune to market downturns, I would prefer to ride out any turbulence with sectors like: household products, *Procter & Gamble* (49); life insurance, *Torchmark* (69); foods, *Kellogg* (64); utilities, *Pacific Gas & Electric* (33); and personal loan companies, *Beneficial Corp.* (63).

Cyclical stocks: Buy now?

Economic trough	Cyclical stock performance[1] First year after trough[2]	Second year after trough[2]
Mar 1991 (assumed)	27.8%	NA
Nov 1982	29.0	-21.7%
July 1980	5.6	-21.5
Mar 1975	38.4	-11.7
Nov 1970	2.3	28.2
Feb 1961	4.9	-12.7
Apr 1958	44.1	-28.2
May 1954	88.7	9.8
Average	30.1	-8.3

[1]Portfolio of equal-dollar investments in Alcan, Bethlehem Steel, Caterpillar, Du Pont, GM, Goodyear, International Paper and Union Carbide. [2]Fiscal-year portfolio returns, excluding dividends. NA: Not available.

Thus far into the economic recovery, share prices of basic industrial companies are tracking the historical path—up, and up a lot. But, if history is any guide, investors should be wary. During five of the last seven cycles, these same stocks declined an average of 19% in the second year following economic troughs.

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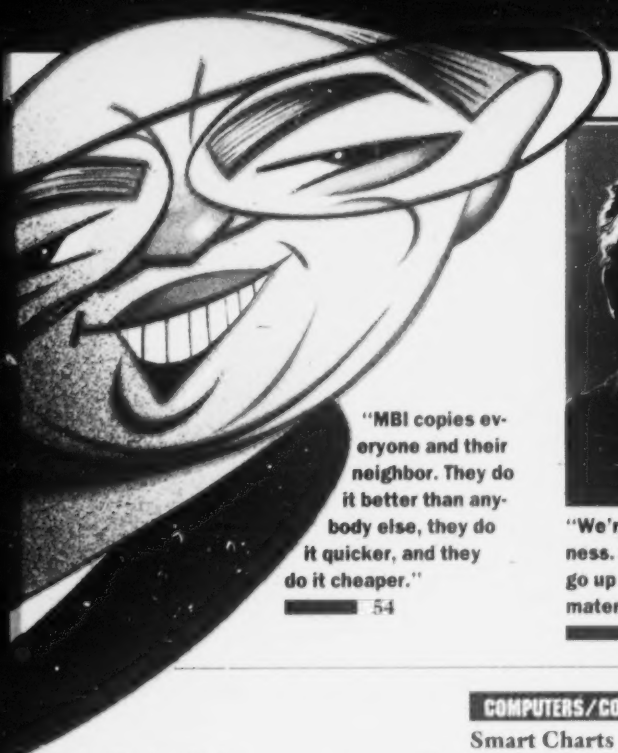

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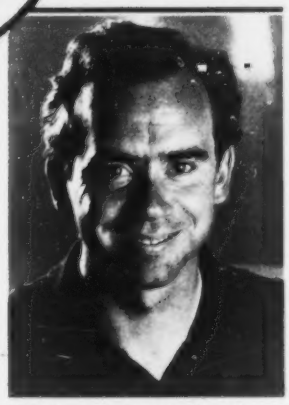

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THE FORBES INDEX

BY TIMOTHY DODMAN

One boost to the Forbes Index: Manufacturers' inventories have declined rather steadily over the past two years. But pushing down on the index, consumers are borrowing more reluctantly. Auto loans declined by an annualized rate of 12.9% in June and total credit outstanding fell for the seventh time in the last eight months. Nondeductible interest rates on auto loans and credit cards are stubbornly high, so it is possible that the falloff in consumer debt in part reflects borrowers' ingenuity in shifting debt to deductible home equity credit lines.

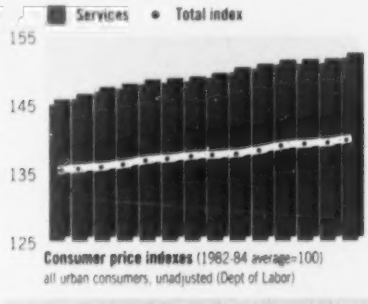
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.0%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.6%
Index of leading indicators June vs May	Dept of Commerce	-0.2%
Trade balance 12 months ended May 1992	Dept of Commerce	$68 bil
All-commodity producer price index June vs May[2]	Dept of Labor	0.6%
GDP 2nd quarter vs 1st—annualized growth	Dept of Commerce	1.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	0.2%

[1] U.S.-based manufacturers, excludes imports, as of 7/30/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: The cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total industrial production, new housing starts, personal income, new claims for unemployment compensation, total retail sales, total consumer installment credit.

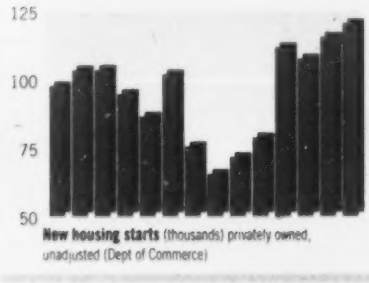
To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



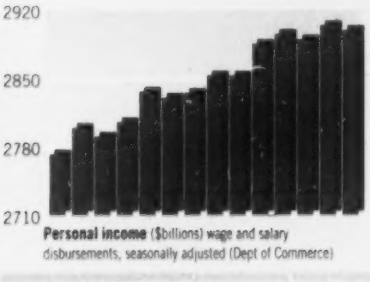
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

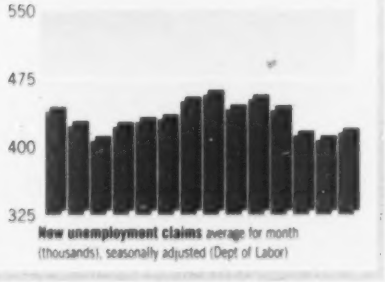
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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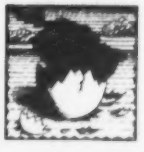

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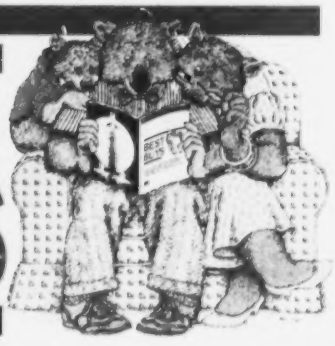
BEST BUYS



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The art of fund selection boils down to three things: risk, cost and history. Herewith a guide to using this formula and to avoiding certain common mistakes.

How to pick a fund

By William Baldwin

THE SCHOOLMARMS of financial planning always have the same commandment for someone trying to find the right mutual fund: Read the prospectus carefully before you invest.

Here's a radical thought. Don't read prospectuses. You'll go crazy trying to sort through 3,400 funds that way, and you will miss the big picture, which has just three elements you need to fix on. Those three elements are risk, cost and performance history. The Forbes annual fund survey will help you compare funds on these three scales.

The first issue to confront is what kind of fund you ought to be buying. And that boils down to how much risk you are willing to take.

Why take any risk at all? Because you get paid to take it, just as insurance underwriters get paid to take it and steeplejacks get paid to take it. But if you take more risk than your particular personality can handle, you may react badly to a bear market, selling at the bottom after buying at the top.

Ask yourself: Was I tempted to sell everything out on Oct. 20, 1987? If the answer is "yes," you don't belong in a high-risk, high-potential fund.

The two big risks in investing are: equity risk and interest-rate risk. Equity risk is the financial uncertainty in business activity. It captures almost all of what is hazardous about a stock fund, and it explains maybe half the risk in a junk bond fund. If corporate profits don't live up to the glorious expectations built into today's stock prices, then today's stock fund buyer will lose money. If too many leveraged companies can't pay their bills, today's junk fund buyer will suffer.

Interest rate risk is the uncertainty in bond funds of anything but the junk variety. And the market handsomely compensates people willing to shoulder it. Compare yields on long term Treasury bonds (7.4%) with yields on three-month Treasury bills (3.2%). With the bond, you are taking the risk that the inflation rate will shoot up, taking interest rates with it and causing your bond to fall in value. The three-month bill has such a short life span that nothing really bad can happen before you get your money back. Thus bills are for the nervous, long Treasurys for the strong of nerve.

There are many ways to measure investment risk, some very complicated. Ours is simple and effective. We measure risk in the bear-market grade for a fund. A stock fund with a D or F in down markets is on the risky side. It may still be a suitable fund—for an investor with thick skin and a high degree of confidence that stocks are cheap today.

We haven't even talked about the risk of international turmoil and currency fluctuations, but if you are prepared to assume those, consider the emerging country funds starting on page 102.

Next item in the big picture, one that millions of investors are evidently blind to: costs.

Here's a simple formula to measure

cost. Take the expense ratio shown in the right-hand column of the fund tables. This is the sum of portfolio management fees and overhead costs for marketing, accounting and the like. Add to this one fifth of the sales load you have to pay to get into the fund. We publish a maximum load figure, but large investors usually pay less and some investors (including many corporate thrift plan participants) pay nothing. What's reasonable for a combined figure? For a U.S. fund, the total should be not too much more than 1%; for a foreign fund, 2% is par.

The Vanguard Group never charges a sales load, and it offers an excellent selection of bond funds and stock index funds with annual expenses no higher than 0.3%.

Do fractions of a percentage matter? You bet they do, especially in bear markets or in sluggish markets.

Scan the list of taxable bond funds on page 168. A lot of the bigger ones have a load/expense burden topping 2%. Some of these costly giants simply own piles of Ginnie Maes and U.S. Treasury securities, an activity in which skill does next to nothing to improve performance. Put $100,000 into one of these popular, overpriced funds, stay for five years, and you throw $5,000 down the drain.

Bend the 1% rule a little for a small fund with an ability to exploit an unusual niche. The Berwyn Income Fund, page 98, does this with thinly traded bonds; the FAM Value Fund, page 106, with thinly traded stocks.

Last item on the agenda: performance. We put it last because too many people put it first. They look at two funds, one that has averaged an 18% a year gain, the other 10%, and say to themselves: This one is probably going to earn me 8% a year more than the other one, so I must have it, never mind the load or the risks.

The boilerplate disclaimer on fund prospectuses says, "Past performance is no guarantee of future results." This is too feebly worded. It should read, "Our manager beat the averages over the past five years, but don't bank on a repeat performance. Luck played a larger role than skill in the outcome. Also, he's threatening to quit."

In the Best Buy rankings that begin on page 90, we blend the three criteria—risk, cost and performance—into a single score. First we rank the funds in a given category on risk-adjusted performance. This statistic rewards funds that delivered better returns than their peers without incurring a lot of volatility. Then we rank funds on a combined cost figure (annual expenses plus a fifth of the maximum load). The funds are then ranked on their combined score.

The honor roll of the best-performing stock funds, in contrast, gives a lot of weight to performance and risk but almost none to costs *(see following story)*. Before buying a fund on the honor roll, make a separate evaluation of whether you will have to pay a lot to invest in it. For most investors, this means avoiding the load funds.

What mistakes do investors make in mutual fund investing? Here are four big ones.

Barn-door closing. People buy the kind of fund they wish they had bought earlier. Health and biotechnology funds were at the top of the performance charts late last year. Money poured in from new investors who wanted to enjoy those results. They got just the opposite of what they expected.

Chasing yield. Fund investors, many of them refugees from banks, think that yield is a measure of expected return. It is not: surprising that they think this way, since the quoted yield on a bank CD is precisely the return. Thanks to deposit insurance, principal in a bank does not fluctuate.

But in any fund other than a money market, principal does fluctuate. It behooves the fund investor to look at total return rather than yield.

Buying too many funds. The main reason for owning a fund at all is that it is a cheap, liquid way to create a very well diversified portfolio. It takes at least 20 stocks to make a diversified portfolio. But it doesn't take 20 funds to create a stock fund portfolio. Two or three will do.

A related sin is buying a fund when neither diversification nor liquidity is at issue. Suppose you want to put away $15,000 for five years toward college expenses, and you want to be in bonds, not stocks. You don't need instant access to the money.

You could buy an intermediate-term U.S. Treasury fund. What can you expect from it? Look up Treasury notes in the newspaper. The ones due in five years have a yield to maturity of 5.5%. If the fund charges 1% a year in management fees and other expenses, and if interest rates don't fluctuate, you'll get 4.5% out of this fund.

This is a stupid move. You should buy bonds directly from the government. The EE savings bond, in which you are permitted to invest up to $15,000 each year, pays 6%.

Expecting too much. Suppose you see an ad for a fund boasting of its 18% a year return over the past decade. Is this what you should expect of it now? No way.

First, reflect on the fact that the fund sponsor decided which fund to advertise after the decade was over; the company is not compelled to discuss the fund that averaged 10% or another one that was so bad it was dissolved. Next, note that the past decade has been an unnaturally bullish period, culminating in stock prices that are extremely high in relation to corporate earnings and dividends. At least, some astute money managers think so. See the story that starts on page 114.

Here's a dose of realism. Over the very long run, stocks have averaged a total return about seven points above inflation. Since stocks are expensive today, a conservative estimate for the future is for a real return of 6%. Now check out that advertised fund's expense ratio. If it's 1.6%—high but not at all unusual—then your expected real return is 4.4%. That, by the way, is the expected real return on long-term Treasurys, assuming they are bought directly rather than through a fund and assuming that inflation can be expected to stay put at 3%.

We're not telling you to avoid all stock funds. An all-Treasury portfolio is terribly exposed to the risk of increased inflation. So, include some equity in your portfolio, put a little into foreign funds, and consider such inflation hedges as real estate (page 116) and energy (page 99). But, whatever you do, know what risks you are taking and why. ■

It's fairly easy for a mutual fund to achieve high returns in an overheated market, but bull markets don't last forever. Look for strength in bear markets as well.

The honor roll

By Toddi Gutner

THE TWENTIETH CENTURY family of funds does not make this honor roll. Why? Haven't the Twentieth Century Growth, Select and Ultra funds done extremely well by their shareholders for the past decade? Yes, but the group's defensive ranking is not as good as its up-market ranking. By that we mean that these funds are standout performers in bull markets but tend to do worse than the average in bear markets. To get on the FORBES honor roll a fund has to score an A or B in down markets.

The honor roll's emphasis on down market performance is controversial, but it serves two functions. One is that it forces investors to think about risk when they look at performance. It is no great credit to a fund manager to make a lot of money during a bull market, if he is in danger of giving most of it back in an ensuing bear market. There are many ways to adjust results for risk, but the most straightforward is to look at how well the manager does in down markets *(see chart, p. 123)*.

The other reason for giving a lot of weight to bear market results is the very freakishness of the stock market's rise over the past decade. Chances are that the next decade will be marked by longer or more severe bear market intervals, or by weaker bull markets. A simple, straight-line performance ranking gives investors a distorted view of how much they can expect to make in the future and of what sort of fund is likely to do best.

Our grading system puts a bonus on consistency of results. We measure performance over three market cycles, going back to 1980, and limit the honor roll to funds that have been around for the full three cycles. Our rating system scales back abnormally high or low returns within any given period, since a repeat performance of a lucky or unlucky streak is unlikely. We exclude sector funds from the honor roll, since their success may be due more to the sector than the skill of the stock picker. This rule knocks out Century Shares Trust, an insurance stock fund, and Franklin Utilities.

Continuity of management is another issue. Fidelity Magellan wins an impressive double-A grade for past performance, but the man responsible for most of that performance, Peter Lynch, is no longer running the fund. Thus, we require an honor roll fund to have a manager who has that position for at least seven years. Selected American Shares was on the honor roll from 1988 through 1991 but was

Fund/distributor	Performance UP markets	Performance DOWN markets	Lead manager (years)	Average annual total return[1]	Hypothetical investment results[2]
Bergstrom Capital/closed-end	A+	A	Erik E Bergstrom (16)	19.8%	$63,441
Fidelity Destiny Portfolio I/Fidelity Distributors Corp	A+	B	George Vanderheiden (12)	18.4	42,822
Guardian Park Ave Fund/Guardian Investor Services Corp	B	B	Charles Albers (20)	15.7	35,947
John Hancock Sovereign Investors/John Hancock Advisors	C	A	Multiple managers (10)[6]	15.1	34,596
IAI Regional Fund/IAI Funds	A	B	Julian Carlin (12)	15.5	37,731
Income Fund of America/American Funds Group	B	A+	Multiple managers (8)[6]	15.9	34,959
Lindner Fund/Lindner Management Corp	D	A+	Robert A Lange, Eric E Ryback (11)[6]	16.9	43,537
Merrill Lynch Capital Fund-A[9]/Merrill Lynch Funds Distributor	C	A	Earnest Watts (9)	15.4	34,546
Mutual Benefit Fund/Green Hill Financial Service Corp	A	B	Multiple managers(8)[6]	15.9	39,399
Nationwide Growth Fund/Nationwide Financial Services	B	B	John Schaffner (10)	15.1	35,159
Nicholas Fund/Nicholas Co	B	A	Albert O Nicholas (23)	16.0	45,089
Phoenix Growth Fund/Phoenix Equity Planning Corp	B	A	Multiple managers (7)[6]	17.4	44,350
T Rowe Price International Stock Fund/T Rowe Price Associates	B[10]	B[10]	Martin G Wade (12)	19.6[11]	37,230[11]
Scudder International Fund/Scudder Investor Services	C[10]	B[10]	Nicholas Bratt (8)	19.0[11]	34,768[11]
Sentinel Common Stock Fund/Equity Services	B	A	Christopher Martin (7)	15.7	36,068
SoGen International Fund/SoGen Securities Corp	C	A+	Jean-Marie Eveillard (14)	16.1	35,613
Source Capital/closed-end	D	A+	George Michaelis (14)	15.5	36,110
United Income Fund/Waddell & Reed	A	A	Russell E Thompson (13)	17.4	41,142
Washington Mutual Investors/American Funds Group	B	A	Multiple managers (9)[6]	16.6	40,768

[1]From 11/30/80 through 6/30/92, before deducting loads and taxes. [2]Value on 6/30/92 of $10,000 invested 11/30/80, after load and taxes, for hypothetical upper-income investor. Assumptions: Investor has $100,000 of gross income in constant 1984 dollars, deductions equal to 20% of income—15% after 1986—and four exemptions. Loads applied at 6/30/92 rate. [3]Average of price/earnings ratios for stocks in portfolio based on most recently available information, weighted by size of holding. Sources: Morningstar, Inc. and Forbes. [4]Lesser of security sales or purchases, divided by average net assets. [5]Most funds have lower minimum requirements for IRAs and automatic savings plans. [6]Closed-end funds have no loads, but hypothetical results column assumes a 1% brokerage fee to buy shares. For information on closed-end funds contact a stock broker. [7]Operates as a contractual plan, requiring monthly investment, with a decreasing load for larger

booted this year when nine-year veteran manager Donald Yacktman left to start the Yacktman Fund. Committee-run funds must have managers with an average tenure of at least seven years.

Finally, only funds that are open to new investors make it on the honor roll. That rule knocks out such first class funds as Sequoia, Vanguard Windsor, FPA Paramount, two Mutual Series funds, CGM Capital Development and, as of Aug. 3, IAI Growth.

Several dozen funds score well in down markets, have long standing management and are open to new customers. Out of that group, we selected 19 on long term performance. Our measure labeled "Hypothetical investment results," shows what a $10,000 investment would have grown to over three market cycles, after deductions for estimated taxes and the current sales load.

The honor roll is not an unconditional recommended list. Before investing, pay attention to one criterion that scarcely enters into the honor roll formula, and that is the cost of a fund. Costs include the one-time sales commission shown in column eight and the annual expense burden shown in column nine.

While we carry load funds on the honor roll, we advise investors to try to find ways to get into them without paying the load. Some load funds are, for example, available without load through corporate thrift plans. Many scale back their sales charges to a negligible 1% or so for very large (multi-million-dollar) purchases; some allow a load-free transfer from another load fund. A 5% load is tolerable if you are highly confident of being able to stay in the fund for a long time and if the fund's annual expense ratio is on the low side. By the same token, Fidelity Destiny I, a fund sold via a long-term contractual plan, makes sense only for an investor who is certain to complete the plan and to stay for a long while thereafter.

The Best Buy rankings, which begin on the following page, are based upon quite different criteria than the honor roll. The Best Buys make more explicit the balancing of costs and performance records. They are open to a lot of newer stock funds that don't qualify for honor roll status, as well as to a wide variety of fixed-income funds. We offer both as an aid to mutual fund selection. ■

Net assets ($mil)	Maximum load	Annual expenses per $100	Weighted average P/E[3]	% of assets in cash	Portfolio turnover[4]	Minimum initial investment[5]	Fund (consecutive years on honor roll)
$117	NA[6]	$0.88	28	15%	17%	NA	**Bergstrom Capital** (9)
2,373	NA[7]	0.57	17	9	76	NA	**Fidelity Destiny Portfolio I** (10)
280	4.50%	0.68	17	4	61	$1,000	**Guardian Park Ave Fund** (5)
482	5.00	*1.18*	21	11	67	1,000	**John Hancock Sovereign Investors**
553	none	*1.25*	17	22	141	5,000	**IAI Regional Fund** (4)
4,788	5.75	*0.67*	17	4	23	1,000	**Income Fund of America**
978	none	0.80	16	6	11	2,000	**Lindner Fund** (4)
3,517	6.50	0.58	17	2	86	250	**Merrill Lynch Capital Fund-A**
46	4.75	0.85	17	9	9	250	**Mutual Benefit Fund** (4)
313	7.50	0.65	19	12	10	250	**Nationwide Growth Fund**
2,269	none	0.78	18	9	15	500	**Nicholas Fund** (11)
1,843	4.75	*1.20*	17	32	203	500	**Phoenix Growth Fund** (4)
1,863	none	1.10	17	9	46	2,500	**T Rowe Price Intl Stock** (3)
1,022	none	1.30	20	4	50	1,000	**Scudder International Fund** (2)
665	8.50	0.71	18	1	8	500	**Sentinel Common Stock Fund**
409	3.75	*1.37*	19	26	24	1,000	**SoGen International Fund**
319	NA[6]	0.97	18	9	41	NA	**Source Capital** (4)
2,304	8.50	0.66	19	8	25	500	**United Income Fund** (4)
8,961	5.75	*0.73*	18	4	10	250	**Washington Mutual Investors** (3)

investment contracts. Hypothetical investment result assumes a single investment of $10,000 on 11/30/80, with a simulated load of 12.4%. This load reflects both sales and account maintenance charges. [8]Average tenure of managers, with 11 years maximum credit for each. [9]Fund has two share classes, one with 12b-1 fee and back-end load and the other with front-end load only. Results shown are for front-loaded shares. Assets are for the entire fund. [10]Grades for foreign funds depend on long-term performance against other foreign funds. [11]Annual return covers period from 9/30/82 to 6/30/92, the time span used to measure the performance of foreign stock funds. Hypothetical return is measured over the same period as domestic stock funds. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* NA: Not available or not applicable.

Best Buys

Good performance delivered at low cost is the ticket to entry on these tables. For performance, we looked at total return over the past five years, penalizing volatile funds and rewarding stable ones. For cost comparisons, we added one fifth of the maximum load to the annual expense ratio, with a penalty for temporary absorption of expenses by the sponsor. We ranked funds in each category by performance and efficiency, and added the two rankings to get a combined score. Funds are listed in the Best Buys tables in descending order of this score. Best Buys continue on pages 92, 94, 96, 99, 102, and 110. Best Buys money funds, pages 192 and 193, are selected solely by expense ratio.

International stock funds

Global funds mix U.S. and foreign securities; foreign funds invest all or almost all their assets in equities outside the U.S. Both kinds of funds benefit from a weak dollar and suffer when it rebounds.

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
Global							
Vanguard World–US Growth/Vanguard	13.2%	average	J Parker Hall (5)	$0.52	none	$1,287	$3,000
Scudder Global Fund/Scudder	9.1	average	William E Holzer (6)	1.62	none	371	1,000
Templeton Income Fund/Templeton	9.3	very low	Sam Forester (2)	1.05	4.50%	161	500
Vanguard World–International Growth/Vanguard	5.6	average	Richard R Foulkes (11)	0.61	none	930	3,000
Lexington Global Fund/Lexington	6.1	average	Caesar Bryan (5)	1.57	none	56	1,000
USAA Investment -Cornerstone Fund/USAA	4.3	low	Harry W Miller (2)	1.19	none	571	1,000
Foreign							
Vanguard Trustees Commingled–Intl/Vanguard	6.3%	low	John Wagstaff-Callahan (8)	$0.38	none	$850	$10,000
T Rowe Price International Stock Fund/Price	6.6	average	Martin G Wade (12)	1.10	none	1,863	2,500
Scudder International Fund/Scudder	5.7	average	Nicholas Bratt (8)	1.30	none	1,022	1,000
Kleinwort Benson International Equity/Kleinwort	5.5	average	Multiple managers (4)[2]	1.88	none	71	1,000
IAI International Fund/IAI Funds	5.5	very low	Roy Gillson (2)	*2.00*	none	37	5,000
Lexington Worldwide Emerging Mkts Fund/Lexington	4.3	average	Caesar Bryan (1)	1.97	none	29	1,000
European							
Financial Strategic–European/Invesco	5.3%	low	Multiple managers (4)[2]	$1.46	none	$146	$250
Fidelity Europe Fund/Fidelity	5.1	very high	John R Hickling (1)	1.27	3.00%	443	2,500
Pacific							
Japan Fund/Scudder	0.5%	high	O Robert Theurkauf (6)	$1.26	none	$361	$1,000
Nomura Pacific Basin Fund/Nomura	3.1	average	Takeo Nakamura (7)	1.46	none	44	1,000

Expense ratio is in italics if fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force. [1]Most funds have lower minimum requirements for IRAs and automatic savings plans. [2]Average tenure of managers, with 11 years of maximum credit for each.

U.S. equity funds

Within each category, funds are listed in descending order of their Best Buys scores. The formula gives equal weight to five-year performance and to how much an investor has to pay—in sales load and fund overhead—to own the fund. Best Buys rankings of natural-resource and gold-sector funds are on page 99. On page 110 we list the Best Buys in funds that invest in small companies.

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
Stock							
Lindner Dividend Fund/Lindner	11.3%	very low	Eric E Ryback (10)	$0.80	none	$382	$2,000
USAA Mutual Income Stock Fund/USAA	11.5	very low	Harry Miller (3)	0.77	none	298	1,000
Janus Fund/Janus	16.2	average	James P Craig III (5)	0.96	none	4,379	1,000
Financial Industrial Income Fund/Invesco	13.4	low	Multiple managers (7)[2]	*0.98*	none	2,093	250
Nicholas Fund/Nicholas	10.9	low	Albert O Nicholas (23)	0.78	none	2,269	500
Century Shares Trust/Century Shares	12.3	average	Allan W Fulkerson (16)	0.95	none	162	500
Janus Twenty Fund/Janus	15.7	high	Thomas F Marsico (5)	1.01a	none	2,116	1,000
20th Century Ultra Investors/20th Century	15.6	very high	James E Stowers Jr (11)	1.00	—[3]	3,757	0
Mutual Series Fund-Beacon/Heine Secs	10.1	very low	Michael F Price (7)	0.85	none	430	5,000
Financial Strategic-Financial Services/Invesco	18.9	average	Doug Pratt (*)	1.15	none	242	250
Balanced							
Vanguard Wellesley Income Fund/Vanguard	11.2%	very low	Earl McEvoy (10)	$0.40	none	$2,392	$3,000
Fidelity Balanced Fund/Fidelity	11.1	low	Robert Haber (4)	0.92	none	1,232	2,500
Vanguard STAR Fund/Vanguard	9.6	average	None[4]	0.39	none	2,027	500
Fidelity Convertible Securities Fund/Fidelity	13.7	high	Andrew Offit (*)	1.17	none	273	2,500
Dodge & Cox Balanced Fund/Dodge & Cox	9.7	average	Multiple managers (11)[2]	0.65	none	221	2,500
Franklin Income Fund/Franklin	11.3	low	Charles Johnson (35)	0.54	4.00%	2,212	100
Sector—utilities							
Fortress Utility Fund/Federated	11.7%	high	Christopher Wiles (2)	$1.11a	2.00%b	$260	$1,500
Financial Strategic-Utilities/Invesco	9.6	very high	Phil Dubuque (2)	1.24	none	82	250
Franklin Utilities Fund/Franklin	10.8	average	Multiple managers (8)[2]	0.56	4.00	1,883	100
Stratton Monthly Dividend Shares/Stratton	8.5	low	James W Stratton (12)	1.15a	none	62	2,000
Sector—health & technology							
Financial Strategic-Health Science/Invesco	23.3%	average	Multiple managers (4)[2]	$1.04	none	$759	$250
Vanguard Special-Health Care/Vanguard	15.5	low	Edward Owens (8)	0.30	none[5]	567	3,000
Financial Strategic-Technology/Invesco	11.6	high	Daniel Leonard (8)	1.22	none	131	250
Vanguard Special-Technology/Vanguard	3.0	average	Perry Traquina (8)	0.36	none[5]	33	3,000

Expenses ratio is in italics if the fund has shareholder-paid 12b-1 exceeding 0.1% pending or in force. [1]Most funds have lower minimum requirements for IRAs and automatic savings plans. [2]Average tenure of managers, with 11 years of maximum credit for each. [3]Fee of $10 on accounts less than $1,000. [4]No manager; invests in Vanguard funds. a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. *Less than one year. [5]Distributor may impose redemption fee, with proceeds reverting to other fund stockholders.

Taxable bond funds

How far out on the yield curve are you willing to stick your neck? If interest rates rise, short-term funds will be damaged the least. If rates are constant or fall, long-term funds—with their wired-in higher yields—will do better. Ginnie Maes have roughly the same rate sensitivity as medium-term bonds.

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
U.S. Treasury							
Dreyfus 100% US Treasury Long Term/Dreyfus	10.2%	average	Barbara Kenworthy (5)	$0.25a	none	$224	$2,500
Dreyfus 100% US Treas Intermed Term/Dreyfus	9.5	low	Barbara Kenworthy (5)	0.62a	none	202	2,500
Benham Target Maturities–2000/Benham	16.4	high	David Schroeder (2)	0.68	none	157	1,000
Benham Target Maturities–2005/Benham	16.6	high	David Schroeder (2)	0.67	none	160	1,000
Benham Treasury Note Fund/Benham	8.8	average	David Schoeder (2)	0.59	none	333	1,000
Ginnie Mae							
Benham GNMA Income/Benham	10.9%	average	Randy Merk (6)	$0.62	none	$829	$1,000
Vanguard Fixed Income–GNMA/Vanguard	11.1	high	Paul Sullivan (12)	0.29	none	6,155	3,000
AARP Income Trust–GNMA & US Treas/Scudder	9.6	low	David Glen (8)	0.74	none	4,615	500
Franklin US Government Sec Fund/Franklin	10.2	very low	Jack Lemein (8)	0.52	4.00%	13,319	100
Fidelity Ginnie Mae/Fidelity	10.0	average	James R Wolfson (5)	0.81	none	916	2,500
Junk							
Merrill Lynch Corp–High Income-A/ML Funds	11.9%	average	Multiple managers (6)[2]	$0.60	4.00%	$1,271	$1,000
Federated High Yield Trust/Federated	10.4	high	Mark Durbiano (5)	0.76a	none	258	25,000
Fidelity Capital & Income Fund/Fidelity	9.7	low	David Breazzano (1)	0.80	none	1,654	2,500
Vanguard Fixed Income–High Yield/Vanguard	8.6	low	Earl E McEvoy (8)	0.34	none	2,049	3,000
Franklin AGE High Income Fund/Franklin	8.5	high	Martin Wiskemann (20)	0.58	4.00	1,860	100
Short-term							
Vanguard Fixed Income–Short-Term/Vanguard	9.5%	high	Ian MacKinnon (10)	$0.26	none	$2,336	$3,000
N&B Limited Maturity Bond/N&B	8.7	average	Theresa Havell (6)	0.65a	none	242	5,000
Scudder Short-Term Bond Fund/Scudder	9.2	high	Thomas Poor (3)	0.44a	none	2,500	1,000
Fidelity Short-Term Bond Port/Fidelity	8.7	average	Donald Taylor (3)	0.86	none	1,370	2,500
T Rowe Price Short-Term Bond Fund/Price	8.3	low	Veena A Kutler (1)	0.87	none	415	2,500
Medium-term							
Columbia Fixed Income Securities/Columbia	10.5%	high	Tom Thomsen (9)	$0.66	none	$238	$1,000
Nicholas Income Fund/Nicholas	8.2	average	Albert O Nicholas (15)	0.66	none	103	500
T Rowe Price New Income Fund/Price	9.8	average	Charles P Smith (6)	0.87	none	1,361	2,500
Merrill Lynch Corp–Intermediate/ML Funds	9.6	low	Jay Harbeck (*)	0.63	2.00%	132	1,000
Northeast Investors Trust/Northeast Inv	7.3	very high	Ernest Monrad (32)	0.84	none	416	1,000
Long-term							
USAA Mutual–Income Fund/USAA	11.4%	high	John W Saunders Jr (7)	$0.44	none	$1,204	$1,000
Vanguard Bond Market Fund/Vanguard	10.0	average	Ian MacKinnon (6)	0.16	—[3]	921	3,000
Vanguard Fixed Income–Invest Grade/Vanguard	11.1	very high	Paul Sullivan (16)	0.31	none	2,329	3,000
Fidelity Investment Grade Bond/Fidelity	10.1	average	Michael Gray (4)	0.70	none	953	2,500
Scudder Income Fund/Scudder	10.0	average	William Hutchinson (6)	0.97	none	432	1,000

[1]Most funds have lower minimum requirements for IRAs and automatic savings plans. [2]Average tenure of managers, with 11 years maximum credit for each. [3]Annual $10 maintenance fee. *Less than one year. a: Net of absorption of expenses by fund sponsor.

Municipal bond funds

The first three categories of tax-free funds have national portfolios. You may be better off in a double tax-free fund, with bonds from only one state. But be careful. It makes no sense to save a little on local taxes if you have to sacrifice a lot in loads and expenses. The last category lists the best one-state fund in each state. Note: We only included those states whose best fund is reasonably priced.

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
Short-term							
Vanguard Muni Bond–Short-Term/Vanguard	6.1%	very low	Ian MacKinnon (11)	$0.22	none	$966	$3,000
Merrill Lynch Muni–Ltd Maturity/ML Funds	6.1	very low	Vincent R Giordano (13)	0.40	0.75%	613	1,000
USAA Tax-Exempt Fund–Short-Term/USAA	6.4	very low	Kenneth E Willmann (1)	0.48	none	737	3,000
Dreyfus Short-Intermediate Tax-Exempt/Dreyfus	6.6	very low	Samuel Weinstock (5)	*0.72a*	none	231	2,500
Medium-term							
USAA Tax-Exempt Fund–Intermediate/USAA	8.3%	low	Kenneth E Willmann (10)	$0.44	none	$1,006	$3,000
Vanguard Muni Bond–Intermediate/Vanguard	9.2	average	Ian MacKinnon (11)	0.22	none	2,861	3,000
Scudder Medium Term Tax-Free/Scudder	6.9	very low	Donald Carleton (6)	0.00a	none	479	1,000
SteinRoe Intermediate Municipals/Stein Roe	7.5	low	Joanne Costopoulos (1)	0.79	none	165	1,000
Long-term							
General Municipal Bond/Dreyfus	10.4%	high	Paul Disdier (7)	*$0.01a*	none	$927	$2,500
Fidelity Tax-Free–Aggressive/Fidelity	9.4	low	Anne Punzak (4)	0.69	none	721	2,500
SteinRoe High-Yield Municipals/Stein Roe	9.5	low	James Grabovac (1)	0.69	none	411	1,000
USAA Tax-Exempt Fund–High Yield/USAA	9.5	average	Kenneth E Willmann (10)	0.40	none	1,754	3,000
One-state							
Tax-Free Trust of Arizona/Aquila	9.0%	low	Todd Curtis (6)	$0.58a	4.00%	$238	$1,000
California Tax-Free Income Fund/California Inv	9.2	average	Phillip W McClanahan (7)	0.58a	none	210	10,000
Tax-Free Fund of Colorado/Aquila	7.9	very low	Christopher Johns (5)	0.48a	4.00	154	1,000
Premier State Municipal–Connecticut/Dreyfus	9.3	average	Sam Weinstock (5)	*0.52a*	4.50	298	1,000
Premier State Municipal–Florida/Dreyfus	10.5	high	Paul Disdier (5)	*0.52a*	4.50	254	1,000
Hawaiian Tax-Free Trust/Aquila	8.2	very low	Lorene Okimoto (1)	0.70	4.00	504	1,000
Dupree–Kentucky Tax-Free Income Series/Dupree	8.8	low	William Griggs (3)	0.75	none	169	100
Fidelity Mass Tax-Free–High Yield/Fidelity	8.9	low	Guy E Wickwire (4)	0.58	none	1,165	2,500
T Rowe Price Maryland Tax-Free Bond/Price	8.5	low	Mary J Miller (2)	0.63	none	558	2,500
Fidelity Michigan Tax-Free High Yield/Fidelity	9.2	average	Peter Allegrini (4)	0.62	none	423	2,500
Premier State Municipal–Minnesota/Dreyfus	9.7	high	Paul Disdier (5)	*0.53a*	4.50	127	1,000
General NY Municipal Bond/Dreyfus	8.1	very low	Monica Wieboldt (4)	*0.55a*	none	292	2,500
Premier State Municipal–Ohio/Dreyfus	10.1	average	Paul Disdier (5)	*0.52a*	4.50	254	1,000
Spartan Pennsylvania Muni–High Yield/Fidelity	9.6	high	Peter Allegrini (4)	0.55	none	218	10,000
Franklin PR Tax-Free Income Fund/Franklin	8.8	average	Sheila Amoroso (2)	0.69	4.00	120	100

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force. [1]Most funds have lower minimum requirements for IRAs and automatic savings plans. a: Net of absorption of expenses by fund sponsor.

Berwyn Income beats both high-grade bond funds and low-grade bond funds. How does it do?

The little bond man scores big

By Amy Feldman

IT'S A FAIRLY GOOD rule of thumb that small bond funds aren't worth bothering with because they are almost guaranteed to have higher expense ratios than large funds. The main difference between a $50 million Ginnie Mae fund and a $5 billion Ginnie Mae fund is that the little one has fewer assets over which to spread its overhead. That's why the bond fund tables beginning on page 168 don't include any fund with less than $100 million.

Every rule has its exception, and in this case it's the itty bitty Berwyn Income Fund of Berwyn, Pa. The $8 million fund ranks first among 207 general corporate bond funds, followed by Morningstar, Inc., the Chicago fund rating service, for performance over the past three years.

Behind this little success story is Robert E. Killen, who in 1976 left his job as a nuclear engineer at General Electric to turn his avocation, money management, into a career. Today the Killen Group manages $175 million in assets, including two no-load funds, Berwyn and Berwyn Income.

Berwyn Income, founded in 1987, doesn't fit neatly into a bond fund category. It is not really investment grade, not really junk. In addition to bonds it holds a small dose of stocks and convertible securities. But the unusual mix has produced impressive results. Berwyn's 13% average annual return over the past three years puts it, says Morningstar, well ahead of the average high-grade corporate fund, the average high yield fund, even the average mortgage-backed fund.

"We've had surprisingly few disappointments," says Killen, 51. "You would think the environment would cause us more problems, especially in the less-than-investment grade positions, but it hasn't."

More than half of Berwyn Income's assets are invested in investment grade securities, that is, bonds rated BBB and above. About one third are in junk bonds (rated BB down to CC). The rest are in convertible bonds, dividend-paying common stock and Treasury bills. The junk bonds increase the fund's yield, while the investment-grade bonds offset the overall risk.

Robert E. Killen of Berwyn Income

His fund gets big profits from small, illiquid issues.

In order to reduce the time and expense of research, Killen often buys the bonds of companies in which the Berwyn Fund already has an equity stake. That saves on staff. Only 12 people work in Killen's small office. One is Robert P. Killen, his 22-year-old son.

Berwyn Income's small size has been an advantage, allowing Berwyn to get in on bond offerings that are too tiny and illiquid for huge bond funds to bother with. Take Jackpot Enterprises, a Las Vegas gambling company, with a mere $30 million in debt outstanding. Berwyn Income began buying the B+ rated 8¾s of 2014 in August 1991 at 91 ($910 per $1,000 face) and kept buying them through February. A larger fund would have had problems buying a relatively significant number of these bonds. In June Killen sold at 106.

A particularly successful Berwyn investment last year was in Equimark Corp., a Pittsburgh-based bank holding company. Killen bought 285 of the CCC rated 12⅞s of 1999 at 70. This January the company did an exchange offering with its bondholders. Killen got 390 shares of Equimark stock, then trading at 3⅝, for each bond. In March, with the stock at 4½, he sold for a 150% return on his $199,500 investment.

Two of Berwyn Income's investment grade holdings are the A- rated Eastman Kodak 8⅝s of 2016 and the BBB rated Niagara Mohawk Power Corp. 8⅛s of 2007. Killen likes them because of their long maturities, and because of his preference for out-of-favor industries.

A stake in convertible bonds, now 25%, enabled Berwyn Income to benefit from last year's rally in small stocks. Among the fund's convertible holdings are sheet-and-towel maker Fielderest Cannon's B- rated 6s of 2012, clothing retailer Petrie Stores' BBB- rated 8s of 2010 and hotelier La Quinta's unrated 10s of 2002.

Killen doesn't actively market Berwyn Income except to his own money management customers. But anyone can buy in (call 800-824-2249). The minimum investment in the fund is $10,000. The expense ratio, 1.3%, is higher than anything on a Vanguard fund, but this bond fund is probably worth the expense. One caution: If too much money floods in, Killen will have trouble maintaining his investment style.

Disinflation and recession have beaten natural resource funds to a pulp. Maybe it's time to buy?

Dirt cheap

By Toddi Gutner

NATURAL RESOURCE funds have languished since their 1979 and 1980 heyday as inflation hedges. With inflation down, so are the funds' returns. It's no surprise then that the group has lagged the S&P 500 in every year since then except 1987.

As natural resource stocks have sunk, contrarian investors such as John Neff have bought stocks in the energy, forest products and metals industries. These days 21% of the Windsor Fund, which Neff manages, is in these stocks. What attracted Neff? Cheap assets and high yields, among other things. Windsor's holdings include smelter Alcoa and oil producer USX-Marathon.

Windsor is closed to new investors. But you can copycat Neff by putting a portion of your portfolio in a resource fund. The two Best Buys shown below offer low expenses and returns that, although meager in comparison with the stock market as a whole, are respectable in comparison with other resource funds.

Are natural resource stocks about to come back to life? Charles Clough, chief investment strategist for Merrill Lynch, is high on natural gas issues. He says prices bottomed in February and are now recovering as weaker producers abandon the business, eliminating excess capacity in the industry. He adds that crude oil producers will also eventually run out of spare capacity if world economic growth picks up.

Ernst von Metzsch, manager of Vanguard Specialized Energy fund, has increased his exposure to natural gas producers from 9% to 15% of the fund's assets in the past year, adding to such positions as Devon Energy, which extracts gas from coal in New Mexico's San Juan Basin. He's got 20% of the fund in overseas stocks, including Norsk Hydro, a Norwegian oil company, and Total, the French gasoline refiner.

What about timber as an income-generating inflation hedge? There's only one timber fund, Fidelity Select Paper & Forest, and it is not large enough to appear in the Best Buys rankings. However, the fund has gained 11% in the past 12 months as the sector has recovered from its 1980 disinflation blues.

The other obvious resource, of course, is gold. We list four gold fund Best Buys. They all have had dreadful returns over the past five years, but are useful in small doses as an insurance policy against a resumption of double-digit inflation. Hope for the best, prepare for the worst. ■

Best Buys: natural resource funds

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
Vanguard Special–Energy/Vanguard	6.3%	average	Ernst von Metzsch (8)	$0.30	none§	$151	$3,000
T Rowe Price New Era Fund/Price	5.1	low	George A Roche (22)	0.84	none	717	2,500
Vanguard Special–Gold & Prec Metals/Vanguard	-2.9	average	David J Hutchins (6)	0.35	none§	193	3,000
Franklin Gold Fund/Franklin	0.2	average	Martin Wiskemann (20)	0.40a	4.00%	257	100
Lexington Goldfund/Lexington	-5.2	average	Caesar Bryan (5)	*1.68*	none	93	1,000
Financial Strategic–Gold/Invesco	-11.8	very high	Dan Leonard (3)	1.51	none	49	250

Expense ratio is in italics if fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force. [1]Most funds have lower minimum requirements for IRAs and automatic savings plans. a- Net of absorption of expenses by fund sponsor. §Distributor may impose redemption fee, with proceeds reverting to other fund shareholders.

These natural resource and gold portfolios, listed in descending order of overall appeal, are the best values among hard-assets funds.

There's no way to get high returns and zero risk at the same time. Further proof of this axiom: recent stumbles by adjustable rate mortgage funds.

ARM and a leg

By Seth Lubove

HOME AND HEARTH, income and the guarantee of the U.S. government. What could offer more reassurance to yield starved money market and CD investors? That's how marketers are promoting adjustable rate mortgage funds these days.

With considerable success. In the last year the number of ARM funds has increased eight times, to more than 30, while assets have swelled to over $14 billion. The attraction of the ARM funds is that they supposedly deliver yields 1½ to 2 percentage points above yields on money market funds, but with scarcely any of the risk associated with bond funds. That's because the adjustable coupons of the ARMs protect investors against runups in interest rates. As for credit risk, there is little to none in the typical mortgage security.

But, surprise, there is risk in these funds. In July, as interest rates were hitting new lows and holders of Treasury bond funds were enjoying windfall gains, several ARM funds managed to lose money. Among them, the Ranieri Adjustable U.S. Government Funds I and II. Both funds suffered principal losses of 1%, more than wiping out interest income for the month.

What went wrong? Why doesn't a floating coupon immunize the investor against fluctuations in the bond market? ARM funds can be a safe collection of reasonably simple, easy to comprehend government-backed mortgages. But some sponsors, in order to goose up yields, toss in a dose of complicated derivatives, risky privately issued ARMs and an assortment of other Wall Street gizmos. And even the most straightforward ARM-backed securities have a certain amount of risk. The mortgages underlying the securities typically have lifetime caps on their interest rate increases.

What it all comes down to is this: Extra return comes with extra risk. There is no Wall Street alchemy that can convert a mortgage or any other investment into a product with zero risk and high returns.

One drawback to the ARM funds: no long-term record. The granddaddy, if you can call it that, is the Franklin Adjustable U.S. Government Securities Fund, started in late 1987. This fund, at least, has not disappointed investors who went into it with reasonable expectations. Franklin's share price fluctuated just 1.3% in the past 12 months. For the year, the fund provided a total return of 8%, surpassing the 6.8% return from six-month Treasury bills and roughly tying the return from short-term bond funds. Note the tradeoff here: An ARM fund puts you a little further out on the yield spectrum than Treasury bills do, and delivers a slightly better return. No magic there.

But note that the past year has witnessed ideal conditions for ARM funds: steadily dropping interest rates and a steep yield curve. Contrast that with the early 1980s, when rates could ping-pong 1 to 2 percentage points in the space of a month. Since ARM coupons reset on a lagging basis, the gentle downward trend has given ARM fund investors fairly low volatility in principal with a modest increment in yield.

ARM fund managers try to anticipate interest rates. If they sense a decline in rates, they can enhance returns by loading up on ARMs that reset their coupons slowly. That's the same strategy as lengthening the maturity of a bond portfolio when you sense that rates will decline. If your hunch is right, the strategy works. If you guess wrong, it backfires.

The most controversial aspect of the funds has to do with their purchases of collateralized mortgage obligations, mortgage-backed securities divided into different tranches of varying maturities, yields and risk. Some of these tranches are very stable. Others aren't. The Ranieri Adjustable Rate U.S. Government Funds, for example, dabble in so-called interest-only Strips, which collapse in value when homeowners prepay mortgages unexpectedly soon. That's just what happened in July.

We publish no Best Buys ranking of ARM funds because we don't think any of them are particularly good buys. The six large enough and around long enough to be listed with the taxable bond funds *(page 168)* all have loads of at least 3%. That's not oppressive for a stock fund you are buying to hold for ten years. But it can prove expensive in a short-term fund. What if you stay put for just three years? Then you have knocked 1% a year off your return, probably eliminating whatever small advantage comes from buying adjustable mortgages rather than short-term U.S. Treasury bonds.

Our advice: Take out an ARM for your house, not your portfolio. If you want an investment that acts like an ARM fund, buy one of the short-term bond funds shown on page 94.

Emerging country funds deliver sometimes explosive returns—and an occasional appalling collapse.

The next Chile?

By Claire Poole

FRANCISCO RODRIGO, the 31-year-old portfolio manager of the First Philippine Fund, thought he had a winner with Metro Drug on the Manila and Makati stock exchanges. In the first nine months of 1991 the company earned 60 million pesos ($2.2 million). Rodrigo figured it could do $2.8 million for the year.

But when Rodrigo visited the company in March, he was told that it was going to report an inventory write-down and a yearly loss equivalent to $5.7 million. What happened in the fourth quarter? "Clerical errors" was the answer, which could have meant anything from undocumented receivables to employee pilfering. Rodrigo has been gradually unloading his 37-million-share position at a loss. Says he: "I can understand natural disasters. But this takes the cake."

Such are the hazards of investing in developing countries. When the markets are good, they are very good: In the past 12 months Philippine and Chilean stocks averaged gains of over 55%, and Argentinean stocks nearly tripled. And when they are bad, they are horrid. In recent years stock markets in both Brazil and India suffered sudden crashes related to scandals. Ross Perot sent the Mexican market reeling with an attack on free trade.

Emerging country stock exchanges can be illiquid—with stocks not trading for weeks at a time—and highly volatile. Three years ago the Korean market was the hot spot after surging an average 93% a year for three years. Since then Korea has undergone billowing trade deficits and a weakening currency, and its market's return has averaged a negative 14% a year. William McBride follows 200 closed-end emerging country funds for Lipper Analytical Services. Drawing on his experience, he says: "These funds stumble and they fall. And when they fall, they fall hard."

If you're intent upon buying into developing country stocks, funds are the way to go. Look for funds that have beaten their local averages. Also consider efficiency: Assuming you buy a closed-end—and that is likely to be your only choice—you want one that sells at a discount to net asset value (or, at worst, a small premium) and doesn't take off too much in fees and expenses. Also, plan to stick it out for at least five years, come what may. In the Philippines' case, the last three years have been made interesting by a coup attempt, two earthquakes, a typhoon and a volcanic eruption.

For novice investors, McBride advises acquiring a global fund where managers move your money in and out of various individual countries as they think wise. Three such funds he follows returned an average 21% a year over the past three years. The best performing of these is Templeton Emerging Markets Fund (FORBES, *Jan. 25, 1988*). Mark Mobius runs the fund from Hong Kong and has attracted a following. As a result, the fund's shares are trading at a 13% premium to net asset value. Less expensive—and established—is the Morgan Stanley Emerging Markets Fund, which has already earned a 23% return in its first seven months under manager Barton Biggs. His talent comes at a 2.6% discount.

The Latin American Investment Fund, two years old and managed by BEA Associates' Emilio Bassini, returned 55% over the last 12 months and recently was selling at a 5% discount to net asset value. The Scudder New Asia Fund, managed by Andrew Economos, has averaged a 16% a year return over the last three years and recently traded at a 1% premium.

Of course, if you have faith in a particular economy, you may prefer to invest in a single country fund; but be prepared for volatility, and don't sell out at the first sign of riot, earthquake or political upheaval.

Whatever country you like, stay away from initial public offerings, which arrive at a 5% to 7% premium to net assets and, sometimes, with a

Best Buys: emerging country funds

Fund	Assets ($mil)	Discount	Annual expenses[1]	Relative performance[2]	Country P/E
Portugal	$62	-13.4%	$1.96	104	9
ROC Taiwan	267	-7.8	1.92	112	21
First Philippine	131	-21.0	1.95	93	22
Malaysia	110	-11.5	1.70	93	22
Mexico	673	-7.0	1.22	87	13
Chile	220	-1.8	1.75	100	16

[1]Per $100 of net assets. [2]Ending value of $100 invested in fund's portfolio, divided by ending value of $1 invested in local stock market, over the past 12 months. *Sources: Morningstar, Inc.; International Finance Corp.; Forbes.*

Ranked by efficiency (good discount and/or low expense ratio) and by performance (relative to local stock averages) and shown in descending order of overall score.

blank check on expenses.

The latest hot spot is China, with three funds coming to market: the China Fund, managed by Wardley Investment Services in Hong Kong; the Greater China Fund, managed by Baring International Investment; and the Jardine Fleming China Region Fund, managed by Jardine.

The market is getting a little crowded. The total value of mainland Chinese shares legally available to foreign funds is but $460 million. With Chinese stocks trading at multiples from 40 to as high as 200, Templeton's Mobius is staying away. The new Chinese funds will probably put a lot of their money in Hong Kong, but that market has already had a big run in the past year and a half.

If the past is any guide, these China funds will eventually sell at a discount from net asset value. If they don't do so right away you can be reasonably sure some bad news will come along and knock them down.

Emerging markets typically double when opened up to foreign investment. Locals jump into the market before the foreigners, bidding up prices. Later on, when reality sets in, these markets typically lose 20% to 50% of their gain. McBride says it has happened in Indonesia, Thailand and India, and, to a lesser degree, in Korea. The time to buy is a few years after that initial wave of euphoria.

The biggest disappointment to date among the emerging country funds has been the Turkish Investment Fund. The Istanbul Stock Exchange has dropped 80% since the fund's startup in late 1989. The fund has outperformed the Turkish stock average but has still taken a beating. Maybe Istanbul stocks are a buy right now. The Turkish Fund would have made our Best Buy list shown on page 102 if not for its high expense ratio and 14% premium.

Best Buy candidates are scored on two criteria: performance and efficiency. For performance, we looked for single country funds that did well relative to their respective stock markets and for international funds that did well relative to the Morgan Stanley overseas index shown on page 160. Our efficiency measure rewards low annual expenses and high discounts to net asset value. ■

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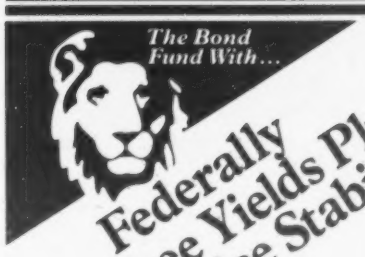

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Turned off by Wall Street? Here are a couple of far-from-Manhattan funds that handily beat their markets.

Clean air and clear thinking

By William P. Barrett

Thomas Putnam of Fenimore Asset Management, Cobleskill, N.Y.

Where the deer and the raccoons roam.

JOHN TEMPLETON started it all. Years ago he moved to the sunny Bahamas and proved that investment success is by no means proportional to physical proximity to Wall Street. Indeed, avoiding the financial crowd is probably a good idea. Just look at Warren Buffett, who from his retreat in Omaha became another investment legend. Templeton's outpost in the Atlantic may have made it easier for him to venture off in directions that his competitors back in New York and Boston overlooked—such as Japanese stocks when they were much cheaper than U.S. stocks.

In this day of faxes and Bloomberg terminals, it's ever easier for a fund operator to work from the hinterlands. And more and more are doing it. Here are two relatively unsung fund management pairs, one of stocks, one of municipal bonds, who work in unlikely places and beat the averages.

Few household names

From the rural upstate New York village of Cobleskill, Thomas Putnam runs the FAM Value Fund. Its tiny size ($22 million) is an advantage to a stock picker following Putnam's strategy, which is to find overlooked companies so small that most Wall Streeters have never heard of them.

Companies like Raven Industries. This Sioux Falls, S.D. balloon and sportswear firm has a market capitalization of all of $76 million. If the Fidelity Magellan Fund bought in—indeed, even if it bought the entire company—the position would account for a mere fraction of 1% of Magellan's assets. At FAM Value, however, the $425,000 stake in Raven is one of the larger holdings. The stock has climbed 159% since Putnam started buying it three years ago.

The 48-year-old Putnam has a knack for picking these little outfits. Over the five years ended June 30, he and comanager Diane Van Buren delivered a compound annual return of 12.4%, well above the 9.7% posted by the S&P 500. Were it not for the fact that FAM is too small to be rated by FORBES, the fund would be a candidate for the Best Buy rankings of funds specializing in small-company stocks *(see p. 110)*. The fund has a back-end load that starts out at 5% and declines to 0% after five years. However, there is no customary 12b-1 fee that goes along with the disappearing load. The fund's expenses total a reasonable 1.5% annually.

Putnam's explanation for his success: "Out here in the country you can think clearer." He and Van Buren look for promising companies that have far less debt than equity, a return on equity topping 15% and a price/earnings ratio below 12. It's pretty hard to find big companies with numbers like that in a market whose P/E (excluding negative earnings) averages 17. But there are little companies that fit the bill. "We don't want household names," Putnam declares.

That makes it easier to visit and quiz top management. "The answer we like to hear is, 'We're cheap.' What we don't like to see is an executive parking lot full of new Mercedes," Putnam says.

Top holding is Trustco, a Schenectady, N.Y. bank that specializes in home equity loans. Another investment in FAM's backyard is Conmed, a Utica maker of disposable hospital products. Besides Trustco, the portfolio includes a large dose of little banks, such as FirsTier Financial of Omaha and Fourth Financial of Wichita.

Then there's Poe & Associates, an insurance broker, and CSS Industries, a manufacturer of business forms and metal containers. Ever hear of IFR Systems (test equipment), Datron Systems (satellite and radar gear) or

Melamine Chemicals (a vital ingredient for finishes)? All present. FAM Value's turnover last year was an extraordinarily low 14%.

Why is Putnam in Cobleskill? Grew up there, and likes the place. The son of a textile mill owner, he took an M.B.A. from Tulane and worked as a market researcher with Corning Glass in Elmira. He lost his job during the early 1970s recession. By then the family business had been sold, so Putnam came back to Cobleskill to manage the resulting cash. He started Fenimore Asset Management in 1975 to handle nonfamily accounts. That he started in the mid-1970s was pure chance, but it was the best possible time to buy stocks, just recovering from the 1974 crash, which took the Dow below 600. Van Buren, 34, came on in 1980. In 1986 they started FAM Value.

Besides the fund, Putnam and ten employees handle $120 million in pension and individual accounts. They work without a Dow Jones ticker or a stock quote machine. Deer roam through the parking lot, and raccoons rummage near the back door. The rent is an eighth of what it would be in Manhattan. Who needs Wall Street?

The slopes

H. Garrett Thornburg Jr. put his money management office in Santa Fe, N.M. (elevation, 7,000 feet) because it's near ski slopes. But during weekdays another kind of slope—the yield curve—occupies him. Along with Brian McMahon, he oversees the Limited Term Municipal Fund-National Portfolio, the best performing of 16 short-term muni bond funds tracked by Lipper Analytical Services.

Over the past five years the fund, with $530 million in assets, has produced an average annual return of 7.4%, equivalent to a taxable 10.7% for those in the top bracket.

The fund's goal: capturing most of the yield offered by long-term bonds, but with far less risk. The fund succeeds admirably; a chart of the net asset value shows a nearly straight line, trending slightly up. In total return FORBES ranks this fund A+ in down markets and F in up markets—just what you would expect in a short-term bond fund. (For muni fund ratings, see p. 180.)

How do Thornburg, 46, and McMahon, 37, get such good results? Buying bonds in states that are deemed undesirable by the bond crowd in New York. "A state may be having economic problems, but local school boards don't default," says Thornburg. "But it depresses the hell out of bond prices. We just love panics." The fund loaded up on Texas municipals during the mid-1980s, when oil prices hit bottom and everybody was writing off Houston and Dallas. Says McMahon, "People thought we were crazy, but no one's defaulted."

Currently the largest state holding—12% of the portfolio—is bonds from Massachusetts, primarily bought during the past three years, after the collapse of the so-called Massachusetts miracle. Next target? "Maybe California," McMahon says. "I think things are getting rough, but we're not yet ready to buy."

Typically, Thornburg and McMahon buy shorter-term portions of a longer-term issue. Tax-exempt bonds, unlike corporates and U.S. Treasurys, usually are offered with assorted maturities in the same issue ranging from 1 year to 30 years. The Santa Fe boys give up a little yield but a lot of risk in taking the shorter maturities. By holding to redemption, they keep transaction costs to a minimum.

Thornburg was a limited partner at Bear, Stearns when he moved to Santa Fe a decade ago to form Thornburg Management Co. He helped turn industrial development bonds into tax-exempt money market funds. His ideas were so good, one observer wrote, that they either made money or were outlawed.

One brainstorm was a municipal lease bond fund, which specialized in short-term paper issued by municipalities to buy equipment like sewer-cleaning trucks (FORBES, *May 20, 1985*). Thornburg recruited McMahon, then in the corporate finance section of Norwest in Minneapolis, to help oversee it. A promising idea, but the two found it harder and harder to buy leases with decent legal protection in the form of collateral. (It's one thing to repossess a fleet of trucks; grabbing the city jail is another matter.) In 1986 they converted the lease fund into the short-term muni fund. One drawback: a 2.75% load.

Going from Manhattan to Santa Fe, Thornburg gave up a little convenience (the ride to the Albuquerque airport is 75 minutes) but a lot of crime and taxes. Says he, "Not a bad tradeoff."

Brian McMahon (left) and H. Garrett Thornburg Jr., Santa Fe, N.M.

Nice tradeoff.

These are great funds to own in a bull market. The technique works beautifully until the momentum hits a brick wall.

The momentum players

By Toddi Gutner

THOMSON OPPORTUNITY FUND is a top-performing growth fund, but its latest public report (March 1992) disclosed a vulnerability. The fund's portfolio contained a very large position in a very hot stock: Royal Appliance Manufacturing, maker of Dirt Devil and Royal vacuum cleaners.

Royal shares were sailing along recently at a split-adjusted 20, almost triple the 7¾ offering price when Royal went public a year ago. Supposedly, the company was cheap at a mere 14 times expected 1992 earnings. And then, surprise, the company announced that expectations would not be met. On July 24 the stock fell 53% in one day of trading.

Unpleasant surprises like this one are the price that growth stock investors like Thomson pay in order to play the earnings momentum game, which is their trademark.

A momentum investment strategy involves getting on board a company with briskly rising earnings, even if the stock is selling at a steep multiple of earnings, and enjoying the ride.

Like other momentum investors, Donald Chiboucas, manager of the $148 million Thomson Opportunity Fund, can boast of an excellent record in the 1980s bull market. Since Chiboucas took over the fund at the end of 1986, it has achieved a 17.8% compound annual return, four points ahead of the S&P 500.

Chiboucas, 47, won't elaborate on his successful investment style—"I would rather invest than talk about it," he says. But from the record one can figure out how Chiboucas plays the game. If Chiboucas anticipates a favorable earnings surprise, or if a company delivers quarterly earnings higher than analysts anticipated, he takes a look at it. If the earnings of a company in his portfolio are disappointing, he sells immediately. The median market capitalization of companies in Thomson Opportunity is $565 million. That helped last year when an explosion in small stock valuations led the fund to a 68% gain.

Since last September Chiboucas has reduced the equity position of Thomson Opportunity from 95% of assets to a slightly more conservative 83%. He has dropped the fund's health care holdings from 28% to 7% of assets and expanded holdings in more economically sensitive industries like computers, containers, restaurants and retailing.

Close to 12% of Thomson's portfolio is in computer stocks. His largest holding in the sector is Adaptec, a designer and supplier of input/output integrated circuits and printed circuit boards. This $150 million company sells at 15 times expected 1993 earnings of $1.64 per share.

Another of Thomson's computer stocks is EMC Corp. It makes high-performance substitutes for IBM disk drives attached to large computers. Net income jumped a healthy 47% from 1990 to 1991. EMC trades at 20 times expected 1992 earnings of 93 cents a share.

Chiboucas likes specialty retailers, including furniture seller Bombay Co. and software retailer Babbage's. Another holding, CML Group, operates an eclectic group of 134 retail stores, including Britches, a clothing chain; the Nature Co., which sells nature-related books and gifts; and Mason & Sullivan, a seller of craft kits. It also owns NordicTrack, a manufac-

Best Buys: small-company funds

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[3]
Sit New Beginning Growth Fund/Sit	10.4%	average	Douglas C Jones (10)	$0.83	none	$242	$2,000
Pennsylvania Mutual Fund/Penn Mutual	9.2	very low	Multiple managers (11)[1]	0.95	none[2]	924	2,000
Nicholas II/Nicholas	8.0	very low	Albert O Nicholas (9)	0.64	none	623	1,000
Scudder Development Fund/Scudder	9.5	high	Multiple managers (7)[1]	1.27	none	694	1,000
Vanguard Explorer Fund/Vanguard	7.1	average	Multiple managers (7)[1]	0.65	none	458	3,000
Dreyfus New Leaders Fund/Dreyfus	8.6	average	Thomas A Frank (7)	*1.29*	none	201	2,500

[1]Average tenure of managers, with 11 years of maximum credit for each. [2]Distributor may impose redemption fee, with proceeds reverting to other fund shareholders. [3]Most funds have lower minimum requirements for IRAs and automatic savings plans.
Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.

These funds specializing in the shares of smaller companies combine excellent performance in relation to risk with below-average expense ratios and little or no loads.

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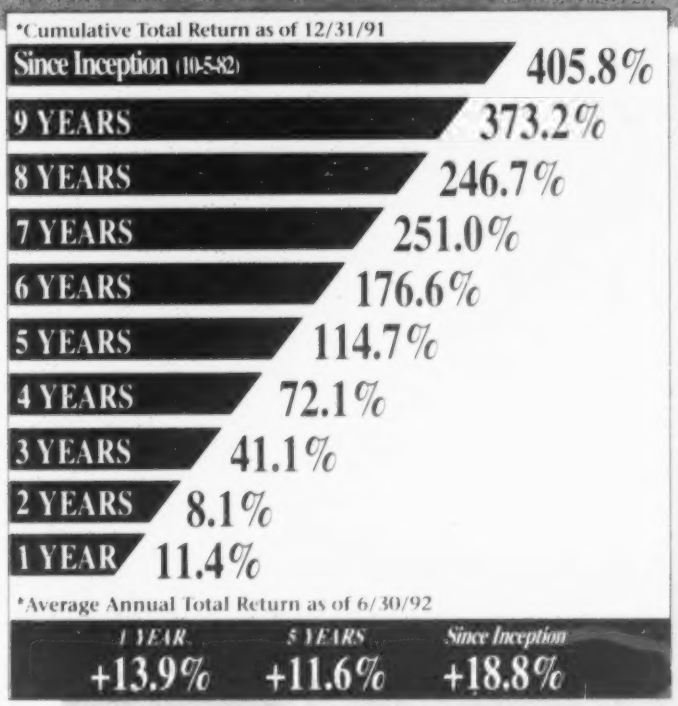

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turer of exercise equipment. CML Group trades at 25 times expected 1992 earnings of $2.08.

Almost 8% of Thomson Opportunity is in lodging and gaming stocks, including International Game Technology. Shares of this gambling-machine maker have climbed eightfold since Chiboucas bought in. The company has posted average 54% annual earnings gains since 1988 and sells at 42 times expected 1992 earnings.

Recent additions to Chiboucas' fund include restaurant chain Au Bon Pain, packaging maker Chesapeake and regional airline Mesa Airlines.

Chiboucas is not by any means the only fund manager who uses a momentum strategy. The Twentieth Century funds play this game skillfully. So do William Berger of the Berger 100 Fund and Kenneth Heebner of the CGM Capital Development Fund.

What an investor must always keep in mind is this: All these momentum funds have excellent long-term results, but they tend to give their shareholders a bumpy ride up. In the first half of 1992 Twentieth Century Growth, Berger 100 and CGM Capital Development fell an average of 11%, while the stock market was flat. Almost alone among the momentum-type funds, Thomson didn't lose ground in the first half—but that was before the Royal Appliance disaster.

The table on page 110 shows small-company funds we rate as Best Buys. Among them, Scudder Development comes closest to Thomson Opportunity in following a high-growth, high-risk strategy. Pennsylvania Mutual, by contrast, is a slower-paced fund, with more emphasis on value and less exposure to declining stock markets.

Thomson Opportunity isn't on the Best Buy list because its expenses and its risk level are fairly high. (The Best Buy rankings reward funds that offer excellent performance in relation to the risks they take and that have low loads and annual expense ratios.)

How high are Thomson's charges? There are two classes of shares. Class A has a maximum 5.5% upfront sales charge, Class B a 1% annual 12b-1 fee. But you can avoid the sales commissions by choosing the A shares and putting in at least $3 million. A single account held by a corporate thrift plan could qualify for the load waiver. ■

There is more to being a smart bear than not buying stocks when they are expensive. The other half of the formula is buying when they are cheap.

Time to hibernate?

By Suzanne Oliver

WITH THE Dow Jones industrials having more than trebled in the past decade, stocks are expensive by historical measures. They average a dividend yield of only 3%, a price/earnings ratio topping 26 (if you include moneylosers in the calculation) and a price/book ratio of 2.6.

None of these is an infallible signal that the bull market is over, but prices are worrisome enough to encourage smart investors to think defensively when they make new investments. That means they will want to consider funds that FORBES shows as performing relatively well in bear markets.

Remember, however, that there is more to being a smart bear than getting out of stocks when they are expensive. The other half of the formula is getting in when they are cheap.

Consider the eccentric Bernard Klawans, who manages the $7 million Valley Forge Fund and five unrelated businesses from the recreation room of his Wayne, Pa. home. He is now 80% in cash—but then, he sold out of the 1982 rally in October 1982 and has averaged a 50% cash position since. Like a broken clock that is right twice a day, Klawans will have his day of vindication in the next correction. But it will be next to impossible for Klawans to make up for all the ground he has lost.

The three bears profiled below all have a bullish side, too, so—if the past be guide to the future—they will be equipped to take advantage of a cheaper market when it arrives.

Dreyfus Capital Value Fund

Stanley Salvigsen has made some prescient market calls. As the chief strategist at Merrill Lynch in 1983, he predicted that interest rates would fall from their Volckerish heights and urged investors to put money in the stock market. That was the year the bull market of the 1980s began.

In 1986 Salvigsen and two colleagues left Merrill Lynch to set up the money management firm Comstock Partners in New York City. In 1987 they predicted interest rates would briefly rise, undermining the stock market, and then continue their long decline. They were right. As manager of the Dreyfus Capital Value Fund, Salvigsen hedged the fund against the October crash and earned 35% that year, against 5% for the S&P 500.

Salvigsen, 49, is bearish again, and he thinks things are worse now than in 1987. "Real estate has collapsed, and the Fed can't drop interest rates anymore," warns Salvigsen. "Trees don't grow to the sky. And a 3% dividend yield on the S&P 500 tells us they are hitting the power lines."

So what has Salvigsen done with the $575 million Dreyfus Capital Value portfolio? More than half of it is tucked away in Treasury bills. Another 40% is in gold, energy-related and metals stocks like Homestake Mining, Baker Hughes and Inco.

The rest of the portfolio is in cash and put options on the S&P 500 Index and the Nikkei Index. The fund also has $92 million worth of short positions on the darling stocks of the 1980s like U.S. Surgical, Merck and Walt Disney. Other stocks Salvigsen has borrowed for short sales include Travelers Corp., Medtronic, Philip Morris and General Electric.

Last year Dreyfus Capital Value lost money on all its short positions. While the S&P 500 rose 30%, the fund ended the year up just 4%, in spite of big gains on its Nikkei Index puts.

It is no surprise that Salvigsen's bearish posture has lost him investors, who have pulled out a cumulative $200 million in the past 2½ years. Dreyfus Capital Value's 8.7% average annual return since 1987 lags the S&P 500's 9.7%. But the fund's performance in the brief bear markets of 1987 and 1990 was great. Unless Salvigsen has lost his touch, Dreyfus Capital Value will shine again if the market collapses.

SoGen International Fund

Jean-Marie Eveillard, manager of the $450 million SoGen International Fund, has been bearish for two years. The government, corporations and individuals are overleveraged, he says. Because we are too indebted to spend our way out of a recession, he sees two alternatives. Government can bail out the debtors by inflating the money supply, or we will have a hiccuping economy for years while debt loads are worked off. Either way, the stock market suffers.

Like Salvigsen, Eveillard has made a substantial bet on gold and other hard assets. Nearly 6% of SoGen International's portfolio is in gold related securities, including the Basel based Bank for International Settlements (the equivalent of $4,400 over the counter in Basel). Eveillard has 5% of his portfolio in energy and forest product companies, including Burlington Resources and Greif Brothers.

Eveillard, 52, buys stocks that are cheap on price/cash flow and price/book ratios. His insistence on value keeps him out of high flying stocks, which explains both his C upmarket rating and his A+ downmarket rating *(see honor roll, p. 88)*. The fund climbed just 18% last year against the S&P 500's 30%. But it is already up 7.5% this year, while the market is flat. Although Eveillard has lagged the market over the last three years, his ten-year 18% average annual return matches that of the S&P 500.

Only 45% of SoGen International is currently in common stocks because Eveillard is having trouble finding cheap ones. Recently he has been scouring the pink sheets, the brokers' quotes on thinly traded stocks. He was able to get his hands on 13 shares of Kohler, the bathroom fixture company, at an average $77,000 apiece.

Eveillard has also picked up some inexpensive stocks in Europe. "There are very few contrarians or value investors in Europe," says Eveillard. "So we have no competition from people with sharp pencils like [Mutual Series fund manager] Michael Price."

SoGen International recently became one of the largest shareholders of French papermaker Emin-Leydier (recently trading on the Paris Bourse at $63). Investors have abandoned the company because earnings are suffering as it doubles its capacity. Eveillard was able to buy shares at less than three times the company's 1992 estimated cash flow (here meaning net income plus depreciation). Another French company he recently bought is Promodes, a hypermarket chain. Eveillard bought the nonvoting shares, which are selling at a 50% discount to the voting shares. He also bought Telegraaf, the owner of the major daily newspaper in the Netherlands, at $37. That values the company at three times cash flow.

What about Japan? Eveillard thinks the market will continue dropping, but he has begun to poke around. He acquired shares in electronics maker Hitachi and in Ito-Yokado, the supermarket chain that recently bought convenience store chain Southland.

Clipper Fund

The record number of new stock offerings in 1992 worries James Gipson, manager of the $180 million Clipper Fund. "When investment bankers think it is a good time to sell, it is not the best time for retail investors to buy," he says.

So Gipson, 49, has been cautious with the Clipper Fund and the $2 billion he manages for institutional clients. He developed his value-oriented style at Source Capital and Batterymarch, where he worked before founding Beverly Hills-based Pacific Financial Research in 1980.

Compared with Salvigsen and Eveillard, Gipson's allocation of 75% to common stocks is high. Says Gipson, "I'm happy to buy cheap stocks regardless of what market prices are." That strategy has made Clipper Fund far less volatile than the stock market, while its 11%, five-year average annual return has beaten the market's 10%.

Recently Gipson has picked up the blue-chip stocks that have fallen from their highs. The result is that Clipper Fund owns some of the same stocks that Dreyfus Capital Value has sold short, including Capital Cities/ABC, Federal National Mortgage Association and Philip Morris.

Almost one-third of Clipper Fund's assets are in financial industries. Since the Salomon Brothers Treasury Bond scandal broke, Gipson has loaded up on the firm, making it the second-largest holding in the fund. In the second quarter he bought 66,600 shares of investment banker Morgan Stanley.

"Everybody loves to do business with them, but nobody likes their stock," says Gipson. But Gipson noticed that Morgan Stanley spent $40,400 last year buying back its own shares. "They're saying the stock is cheap," he says.

Gipson also bought 285,000 shares of troubled American Express at an average cost of $19 a share. He thinks the stock, recently at 22½, is worth at least $30.

About 15% of the Clipper Fund is in Strips, otherwise known as zero coupon Treasurys. The 20-year Strip is trading to yield 8% and would jump in value 21% if interest rates fell by a percentage point.

Cash cushions

Fund	Cash reserve	—Performance— UP	DOWN —markets—	Annual expenses per $100	Load
Clipper	10%	—	—	$1.17	none
Dreyfus Capital Value	55	—	—	1.68	4.5%
FPA Paramount	42	B	A	0.91	NA
General Securities	31	C	B	1.39	5.0
Janus	33	A	A	0.96	none
Mathers	85	D	C	0.94	none
Phoenix Total Return	39	D	B	1.58	4.75
SoGen International	26	C	A+	1.37	3.75

NA: Not applicable

Here are eight stock funds with significant cash reserves. The cash will cushion their fall in a bear market and enable them to buy stocks cheap.

When nobody loves an investment, smart people get interested. For all the bad press it is getting, real estate can offer attractive yields and a good inflation hedge.

Get real

By Eric S. Hardy

THE REAL ESTATE bust is not yet over. Equitable Life's mortgage and real estate portfolio is sickly. The Olympia & York debacle in Canada may force the sale of more commercial properties in the U.S. The apartment glut is still serious, says National Association of Homebuilders chief economist David Seiders.

But look more closely. There are good buys available in properties with low vacancy rates and financially sound tenants with long leases. For example, New Plan Realty Trust says that it is buying strip shopping centers and apartments in all cash deals that yield about 11%. When leveraged speculators unload at distress prices, opportunistic buyers like New Plan are there to pick up bargains.

How can an investor with no real estate expertise get in on the action? There are two ways to invest in real estate and maintain a lot of liquidity. One is to buy a REIT, or real estate investment trust, such as New Plan Realty Trust. A REIT is the real estate equivalent of a mutual fund. It pays no federal income taxes itself and must distribute almost all of its taxable income to shareholders. The bigger REITs trade on the New York Stock Exchange, so an investor can get into and out of the shares with standard brokerage round-trip commission costs.

A REIT that has a portfolio of equity stakes—and thus is in a position to benefit from rising rent rolls—should be a good inflation hedge. REITs that invest primarily in mortgages, however, act more like bond funds and don't have that attraction.

Another way to get a piece of the real estate industry is to buy an open-end fund that owns real estate shares, including shares of REITs, developers and home builders. The round-trip transaction cost is the sales load. The fund also adds a layer of costs shown as an annual expense ratio.

What should you look for in a real estate fund? In a REIT? Very different things. A fund of real estate stocks should be evaluated like any other fund: You want good performance at low costs—costs including both sales loads and annual fees.

A REIT, however, is a very different beast. Performance is a tricky matter. Here, unlike in mutual funds, book value is not a meaningful measure of performance. Some REITs publish estimates of their liquidating value, but these numbers have to be taken with a large grain of salt until the properties are sold and the money is in the bank.

Is it possible to measure performance from a more objective number, the increase in a REIT's share price? It is possible, but then good performance ceases to be a desirable trait. If New Plan's stock shot up 100% over the next month, it would not become a more attractive REIT to buy. Just the reverse. You would be compelled to pay twice as much money for the same portfolio of apartments and shopping strips. The stock would be a poor buy.

In lieu of a performance number, look at a REIT's cash flow. By this we mean net income with depreciation added back in. This cash flow figure and the types of properties in the portfolio are good measures of a REIT's dividend paying capacity.

Other things being equal, you want to pay a low multiple of cash flow. But also take a close look at what kinds of properties the REIT has in its portfolio, and at the managers' past success in making the cash flow figure go up. One reason that New Plan commands a very high multiple of its cash flow is its long history of increases in cash flow—and dividends.

Real estate deals

REIT	Recent price[1]	Cash flow per share[2]	Price/ cash flow	Dividend yield
Capstead Mortgage[3]	35¼	$3.76	9.4	9.1%
Federal Realty Investment[4]	22¾	1.54	14.8	6.7
New Plan Realty Trust[4]	21⅛	1.16	18.9	5.7
Weingarten Realty[4]	34¾	2.23	15.6	5.9
Open-end fund	**Maximum sales charge**	**Annual expenses per $100**	**Latest 12-month return**	**Dividend yield**
Fidelity Real Estate	none	$1.24	17.5%	4.0%
Templeton Real Estate Securities	5.75%	1.73	13.9	4.4

[1]As of Aug. 4. [2]Net income plus depreciation and amortization. [3]Mortgage REIT. [4]Equity REIT.

These four REITs look attractive in relation to their cash flow and growth rates. Both funds have been good performers, but the first has a much more appealing cost structure (sales load and annual expense ratio).

Have you got good records on those mutual funds you bought years ago and have steadily reinvested dividends in? If you don't, you are asking for trouble.

Cost basis 101

By Laura Saunders

ONE OF THE attractions of the mutual fund for busy people is that it eliminates lots of paperwork. A fund lets you hold a diversified portfolio of 30 stocks without having to keep track of 30 purchase orders and 120 dividend checks.

But don't get too relaxed about it. Investors who lose certain key records can find themselves in a pickle at tax time. "Last year my brother sold a muni bond fund he had held for years," recalls Grant Thornton CPA Thomas Ochsenschlager. "He was missing information for only one year—1978—but it took us several hours to reconstruct it."

The bugbear here is "cost basis," which is the price you pay for your shares. The difference between cost basis and your selling price is a taxable gain or loss. For a 100 share purchase of IBM, all you need to keep in your filing cabinet is the broker's confirmation. For a $10,000 investment in the Dreyfus Tax Exempt Bond Fund, you probably need a lot more. In all likelihood, you have asked Dreyfus to reinvest dividends. Each reinvestment is a new purchase of a few shares. Thus your cost basis in a fund could be the sum of dozens or even hundreds of numbers. The picture gets still messier if you put in money several times a year, say through an automatic investment program.

What to do? Save all your year-end statements, which usually recapitulate all reinvestments and other transactions during the year and show a distribution total. If, when you sell, you sell all your shares in the fund, the bookkeeping is considerable but not overwhelming. Your cost basis is the sum of your original investment and all the reinvested dividends since then. If you have had the fund ten calendar years, there should be only

11 numbers to add up to get your cost basis.

Note that we have glossed over the difference between long term gains and short term ones. All gains from shares held less than a year are short term; the rest are long term and qualify for a slightly lower tax rate.

What if you are liquidating only a portion of your fund account? Reach for the aspirin and grit your teeth. You have the option of simplifying matters a bit by calculating all gains and losses from an average basis per share. To get this number, first calculate your net investment to date: original purchase, plus reinvested distributions, minus cost basis of earlier redemptions. Then divide that sum by shares held. If you have both long term and short term gains, you can either use one average cost for both or calculate a separate one for each group. But note that once you elect any one average cost method, you can't switch to any other method.

There are two other methods for calculating gains or losses from partial liquidations of fund accounts. One is first in, first out. The other is the specified shares method. The latter will minimize your tax bill, but is tricky to implement. Read the Internal Revenue Service's Publication 564 for details.

If your records aren't good, chances are that you will overpay your taxes. All too many fund shareholders forget to count reinvested dividends when they sell at a profit, says Arthur Andersen expert Wallace Head. Thus taxable gains look larger than they are.

All this will change if a bill now working its way through Congress takes effect. It requires funds to provide basis records to shareholders. Already, many load fund sponsors—including Putnam, VanKampen Merritt, IDS, Kemper, Keystone and Colonial—tell shareholders what the new law specifies, which is average cost basis. Putnam goes further: By the end of the year it will let sellers choose whether they want to sell shares with the highest cost, the lowest cost or average cost.

The law won't be retroactive, however. So follow these guidelines:

- Keep a ledger of your capital assets, and set aside a page for each fund account. Write in purchases and yearly totals of reinvested dividends. Save year-end fund statements.
- If there are holes in your records, ask the fund distributor to fill them. Vanguard, for instance, has records going back nearly 50 years. Charges for the records vary, ranging from nothing at IDS to about $10 per year at Fidelity for up to six years before 1990 (records for the most recent two years are free).
- If you really hate keeping records, try to keep your funds in a tax free account (IRA, thrift plan or Keogh). That way basis doesn't matter.

Finally, if all the figuring is more than you want to deal with and you intend to make some charitable contributions anyhow, just give away your fund shares. You will get a tax deduction for the full market price of the shares, and the cost basis doesn't matter to the charity, which is tax exempt. But do check to see whether the gift will subject you to the alternative minimum tax.

Or, hold on to funds until you die. The cost basis of appreciated assets is automatically stepped up to market value at death. The only sure ways of beating the taxman here are by dying or giving your money away.

Rules

FORBES rates funds separately in bull and bear markets. There are two advantages to this approach over a simple straight line performance grade. One is that it makes explicit the fact that funds tend to do well in only one kind of market environment. The other is that it enables you to get a good sense of the risk in a fund. Funds with the worst bear market grades are the riskiest. This is key to an investment decision: You trade off risk against return.

The chart opposite displays the three market cycles over which we rate stock funds. Funds with records stretching across three up periods are compared with one another and graded on the curve for bull market performance. Funds with only two segments of bull market performance are graded separately against one another. Bear market grades are awarded similarly.

Balanced, global and foreign stock funds are also graded against one another over market cycles, in tables that begin on pages 152, 158 and 160. Junk bonds, page 178, have a large element of equity like behavior in their fluctuations and thus move in cycles. The junk sector's 2½ market cycles began in October 1984.

But high grade bonds don't move in long trend lines at all. Thus we compute separate bull and bear market grades for taxable bond funds, page 168, by dividing the last five years into individual bull and bear months. Municipal bond funds, which begin on page 180, are graded this way, too.

The "average annual total return" shows the compound annual return over the full rating period, three full market cycles in the case of stock funds, 2½ cycles for junk funds and five years for the other bond funds. This and other performance figures—yield and 12 month total return—are net of expenses taken off the top by the fund sponsor. That's because expenses come out before dividends are distributed. Those distributions are in turn used, along with the fund's net asset values printed in the daily newspapers, to calculate performance. In the calculations of total return we assume a distribution is reinvested in additional shares of the fund at the end of the month in which the payout went ex dividend.

Why do we print expense ratios if overhead costs are already reflected in performance numbers? Because they are the one component of performance that is very predictable. A lucky manager can put his fund at the top of a chart in spite of an excessive management fee or high overhead. The next year he may not be so lucky. But management fees and other expenses will continue as a drag on performance. Expenses as we define them include management fees, 12b-1 "distribution" fees and overhead. They do not include interest or brokerage commissions for the fund's trading.

Our performance numbers—both those displayed in the tables and those used to award grades—do not take into account sales charges. Thus we are measuring portfolio management skills rather than investment results. The only exception is in the "hypothetical investment results" column of the honor roll on page 88.

Performance and other data are as of June 30. The performance of a closed end fund is calculated from its portfolio (net asset value per share), not its price.

Sometimes a fund sponsor merges a large fund with a bad record into a small fund with a clean record. We treat this transaction as if the merger had gone the reverse way, thus preserving the large fund's performance history. This explains why our performance numbers for several funds differ from those claimed by the funds. Also, we do not expunge a fund's history when its management changes.

Funds marketed by many brokers give investors a choice between shares with a front-end load and little or no 12b-1 fees and shares with a declining back-end load and fairly high 12b-1 fees. We report performance for the former type of shares but assets for the entire fund.

Yield is the sum of dividends from investment income over the past 12 months divided by the June 30 net asset value. It may differ from the 30-day yield as defined by the Securities & Exchange Commission.

To be included in the annual survey a fund must have a minimum investment below $250,000 and be open to the general public. An exception to the latter rule is made for certain widely held membership-only funds, such as those of the American Association of Retired Persons. Exchange funds, a dying breed that under tax laws cannot accept new clients, are no longer covered.

You won't find brand-new funds in this survey. A fund must have 12 months of performance data before we add it to our catalog. It also must reach a certain size: $25 million for domestic equity funds or foreign funds of any type; $100 million for bond funds and tax-free money markets; $500 million for taxable money markets. Our roster of money market funds is very short because it is confined to the ones with the lowest expense ratios, for reasons explained on page 192.

The Forbes honor roll of stock funds that have turned in the best and most consistent performance in the past appears on page 88. Our recommended lists of funds with low expenses and good returns are called Best Buys, beginning on page 90. Phone numbers appear in the distributor listing at the back of the survey. ■

Stock funds

FORBES grades stock funds against the three latest market cycles of the S&P 500. To be graded, a fund must have been in existence for at least two of the market cycles—that is, since June 30, 1983. This table covers funds that have at least $25 million in assets and at least 12 months of performance history. Each fund's name is followed by that of its distributor; the table of distributors at the end of the fund survey has phone numbers. Closed-end funds have no distributor; they can be bought and sold in the secondary market and are traded just like common stock. For information on a closed-end fund contact your stock broker. Balanced funds, global stock funds and foreign stock funds are graded separately against different benchmarks, see pages 152, 158 and 160.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%'				$1.27
		AAL Capital Growth Fund/AAL	—*	14.2%	2.0%	$458	105%	4.75%	*$1.28a*
		AARP Growth–Capital Growth/Scudder	—*	16.0	0.8	390	82	none	1.17
		AARP Growth–Growth & Income/Scudder	—*	18.1	3.3	654	96	none	0.96
D	D	ABT Growth & Income Trust/ABT	9.1%	8.9	2.3	88	-6	4.75	*1.27*
■A	■D	ABT Invest–Emerging Growth/ABT	—*	24.4	none	26	32	4.75	*1.59*
F	A	ABT Utility Income Fund/ABT	10.8	13.4	5.1	140	-1	4.75	*1.24*
B	C	Acorn Fund/Acorn	13.7	22.9	1.1	1,199	24	†	0.71
C	B	Adams Express/closed-end	12.3	11.4	2.7	635	6	NA	0.46
		Addison Capital Fund/Addison	—*	9.7	1.4	31	9	3.00	*2.09*
		Advantage Growth Fund/Advest	—*	14.9	0.2	50	57	4.00b	*2.10*

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. §Distributor may impose redemption fee, with proceeds reverting to other fund shareholders. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	A	Aegon USA Growth/Aegon	13.0%	22.3%	1.5%	$44	15%	4.75%	*$1.21*
C	B	Affiliated Fund/Lord Abbett	13.6	16.3	3.9	3,623	7	5.75	*0.58*
A	C	AIM Equity–Charter Fund/AIM	13.2	12.2	2.0	1,058	439	5.50	*1.15*
A+	F	AIM Equity–Constellation/AIM	12.4	22.0	none	787	234	5.50	*1.20*
A+	D	AIM Equity–Weingarten Fund/AIM	15.1	11.0	0.4	4,451	168	5.50	*1.10*
C	C	AIM Growth Fund[1]/AIM	10.8	7.6	0.9	163	-2	5.00	*1.21*
■A	■D	AIM Summit Fund/AIM	—*	13.6	1.4	504	27	**	0.75
		AIM Utilities Fund[2]/AIM	—*	19.6	4.9	97	33	5.00	*1.23*
		AIM Value Fund[3]/AIM	—*	22.9	0.8	176	60	5.00	*1.22*
		Alger Fund–Small Capitalization/Alger	—*	5.9	none	137	183	5.00b	*2.23*
		Alliance Counterpoint Fund/Alliance	—*	15.8	0.9	68	22	5.50	*1.64*
B	D	Alliance Fund-A/Alliance	10.9	15.0	0.9	708	5	5.50	*0.83*
D	D	Alliance Global–Small Cap-A/Alliance	7.0	5.7	none	66	-16	5.50	*2.28*
C	B	Alliance Growth & Income-A/Alliance	13.8	10.7	2.5	436	12	5.50	*1.16*
B	D	Alliance Quasar Fund-A/Alliance	11.8	3.4	none	280	-11	5.50	*1.64*
B	■D	Alliance Technology Fund/Alliance	—*	15.2	none	144	-4	5.50	*1.71*
		Charles Allmon Trust/closed-end	—*	5.3	4.2	124	-3	NA	1.34
C	B	AmCap Fund/American Funds	13.7	13.9	1.3	2,678	22	5.75	*0.75*
B	A	American Capital Comstock/American Cap	14.4	13.8	2.3	905	4	8.50	0.82
C	A-	American Capital Emerging Grow-A/American Cap	13.1	15.5	0.2	312	19	5.75	*1.14*
B	D	American Capital Enterprise-A/American Cap	10.3	14.3	1.3	680	13	5.75	*0.97*
D	B	American Capital Growth & Inc/American Cap	12.4	15.9	3.0	167	8	5.75	*1.14*
C	A	American Capital Pace Fund-A/American Cap	14.7	10.3	1.8	2,360	0	5.75	*1.01*
		American Gas Index Fund/Rushmore	—*	9.6	4.4	145	15	none	0.85a
F	A	American Growth Fund/American Growth	9.9	16.5	0.7	55	2	8.50	1.52
		American Heritage Fund/Amer Heritage	—*	40.0	32.3	28	NM	none	2.20
F	F	American Investors Growth/Amer Investors	0.7	-3.3	none	49	-17	4.50	1.56a
D	A	American Leaders Fund/Federated	14.7	15.9	2.0	173	17	4.50	1.02a
D	A	American Mutual Fund/American Funds	15.0	12.5	4.1	4,464	14	5.75	*0.63*
C	C	American National Growth/Securities Mgmt	12.6	8.2	1.3	113	6	8.50	1.04
D	A+	American National Income/Securities Mgmt	14.4	13.2	2.8	104	24	8.50	1.23
		American Performance Equity/Winsbury	—*	6.4	1.7	92	48	4.00	*1.22a*
B	C	Amway Mutual Fund/Amway	10.8	6.3	0.1	52	10	3.00	1.10
F	A	Analytic Optioned Equity Fund/Analytic	10.7	8.3	2.7	88	-18	none	1.10
		API Trust–Growth/Amer Pension	—*	7.2	none	40	37	none	*1.97a*
		ASO Outlook Group Equity/Winsbury	—*	11.0	2.5	102	233	4.50	0.96a
A	F	Axe-Houghton Growth/USF&G	9.3	3.1	none	68	-13	5.75	*1.43*

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. ‡Distributor may impose redemption fee, with proceeds reverting to other fund shareholders. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. **Available only through monthly contractual plan. [1]Formerly Cigna Growth Fund. [2]Formerly Cigna Utilities Fund. [3]Formerly Cigna Value Fund.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Babson Enterprise Fund/Jones & Babson	—*	23.3%	0.5%	$166	46%	†	$1.17
C	D	Babson Growth Fund/Jones & Babson	10.2%	8.0	1.7	232	-1	none	0.86
		Babson Value Fund/Jones & Babson	—*	16.2	3.3	34	25	none	1.01
		Baird Blue Chip Fund/Baird	—*	11.1	1.2	59	36	5.75%	*1.50*
		Baird Capital Development Fund/Baird	—*	12.6	0.5	34	36	5.75	*1.66*
F	C	Baker, Fentress & Co/closed-end	9.9	10.3	2.4	415	5	NA	0.84
		Baron Asset Fund/Baron	—*	10.9	0.2	42	-7	none	*1.60*
■D	■A	Bartlett Capital–Basic Value/Bartlett	—*	16.6	2.5	88	-5	none	1.22
		Benham Equity Growth/Benham	—*	13.3	2.5	55	758	none	0.35a
		Benham Income & Growth/Benham	—*	15.4	3.8	100	NM	none	0.50a
A	D	Berger One Hundred/Berger	13.2	24.1	none	358	869	none	*1.82*
C	B	Berger One Hundred and One/Berger	12.9	32.5	2.5	26	NM	none	*2.86*
A+	A	Bergstrom Capital/closed-end	19.8	25.3	0.8	117	31	NA	0.88
		Berwyn Fund/Berwyn	—*	25.4	0.7	34	107	none§	1.38
C	C	Wm Blair–Growth/Wm Blair	11.9	15.3	0.8	93	28	none	0.86
		Blue Chip Value Fund/closed-end	—*	10.6	8.4	72	1	NA	1.29
D	C	Boston Co Capital Appreciation/Boston Co	11.8	8.9	1.7	443	-7	none	*1.20*
		Boston Co Special Growth Fund/Boston Co	—*	9.7	1.4	46	25	none	*1.70*
		Brandywine Fund/Brandywine	—*	13.7	0.7	649	46	none	1.09
F	D	Bull & Bear Special Equities†/Bull & Bear	4.2	2.8	none	53	224	none	*2.83*
D	B	Burnham Fund/Burnham	12.1	11.0	6.0	115	-5	5.00	1.20
		Calvert-Ariel Appreciation Fund/Calvert	—*	7.2	0.9	131	171	4.75	*1.50*
		Calvert-Ariel Growth Fund/Calvert	—*	9.7	1.6	256	3	†	*1.25*
		Calvert Social Inv–Equity/Calvert	—*	4.4	1.2	59	59	4.75	1.17a
		Capital Income Builder/American Funds	—*	18.5	4.8	926	123	5.75	*0.98*
B	B	Cardinal Fund/Cardinal	14.2	15.4	2.9	252	19	8.50	0.69
D	D	Central Securities/closed-end	8.9	11.0	1.2	137	11	NA	0.96
A	A	Century Shares Trust/Century Shares	16.6	19.2	1.9	162	10	none	0.95
A+	■	CGM Capital Development/TNE	21.4	31.7	0.3	312	31	†	0.88
		Chancellor Growth & Income/USF&G	—*	13.2	1.7	32	3	†	*1.48*
		Clipper Fund/Pacific Finl	—*	21.4	2.4	175	28	none	1.17
B	D	Colonial Growth Shares Trust-A/Colonial	11.9	10.0	1.3	166	29	5.75	*1.15*
		Colonial US Equity Index-A/Colonial	—*	11.6	1.7	51	22	5.75	*1.43*
B	C	Columbia Growth Fund/Columbia	14.0	10.5	1.6	428	13	none	0.86
		Columbia Special Fund/Columbia	—*	16.3	none	331	64	none	1.19
		Common Sense–Growth/Common Sense	—*	15.1	1.1	1,505	30	8.50	1.26
		Common Sense–Growth & Inc/Common Sense	—*	14.8	2.0	551	21	8.50	1.14

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. §Distributor may impose redemption fee, with proceeds reverting to other fund shareholders. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. †Reflects performance of Capital Growth prior to 6/92 merger.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	A	Composite Growth Fund/Murphey	12.8%	10.6%	2.8%	$79	15%	4.00%	*$1.19*
		Composite Northwest 50 Fund/Murphey	—*	5.7	0.5	145	85	4.50	*1.12a*
		Connecticut Mutual–Growth/Phelps	—*	18.6	1.6	41	26	5.00	1.15
F	■A	Copley Fund/Copley	—*	14.7	none	32	14	none	1.38a
		Counsellors Capital Appreciation/Counsellors	—*	11.0	0.5	117	8	none	1.07
		Counsellors Emerging Growth/Counsellors	—*	20.7	1.0	91	199	none	1.25a
		Counsellors Tandem Securities/closed-end	—*	14.4	none	73	6	NA	1.30
C	C	Country Capital Growth Fund/Country Cap	11.0	4.2	2.2	76	-7	3.00	0.85
		Cowen Income + Growth Fund/Cowen	—*	17.5	3.9	32	1	4.85	*2.26*
B	C	Dean Witter American Value/Dean Witter	11.5	17.6	0.3	363	193	5.00b	*1.58*
		Dean Witter Capital Growth/Dean Witter	—*	6.4	none	903	101	5.00b	*1.74*
■D	■D	Dean Witter Developing Growth/Dean Witter	—*	0.4	none	114	15	5.00b	*1.88*
B	■A	Dean Witter Dividend Growth/Dean Witter	—*	14.6	2.9	4,325	36	5.00b	*1.42*
		Dean Witter Equity Income[1]/Dean Witter	—*	7.2	4.6	151	9	5.00b	*2.09*
D	■C	Dean Witter Natural Resource Dev/Dean Witter	—*	3.4	2.0	115	-14	5.00b	*1.93*
		Dean Witter Utilities Fund/Dean Witter	—*	15.4	5.2	2,299	52	5.00b	*1.59*
		Dean Witter Value-Added Mkt–Equity/Dean Witter	—*	11.8	1.1	193	38	5.00b	*1.70*
D	A	Delaware Group Decatur Fund I/Delaware	13.8	12.8	4.9	1,542	-6	8.50	0.71
		Delaware Group Decatur Fund II/Delaware	—*	13.0	3.8	406	5	5.75	*1.21*
		Delaware Group DelCap Fund I/Delaware	—*	3.3	0.2	922	177	5.75	*1.43*
A+	C	Delaware Group Trend Fund/Delaware	15.5	29.3	none	125	58	5.75	*1.39*
		Delaware Group Value Fund/Delaware	—*	27.7	none	30	249	5.75	*2.00*
B	B	Dodge & Cox Stock Fund/Dodge & Cox	14.7	10.2	2.6	315	32	none	0.64
		Dreyfus Appreciation[2]/Dreyfus	—*	17.1	1.4	126	129	none	*1.30*
C	C	Dreyfus Capital Growth[3]/Dreyfus	11.5	12.4	2.2	504	5	3.00	1.14
		Dreyfus Capital Value Fund/Dreyfus	—*	0.4	4.5	579	-24	4.50	*1.68*
D	B	Dreyfus Fund/Dreyfus	11.9	11.8	2.8	2,914	7	none	0.78
D	D	Dreyfus Growth Opportunity Fund/Dreyfus	8.2	13.0	1.1	586	14	none	0.95
		Dreyfus New Leaders Fund/Dreyfus	—*	15.2	0.7	201	25	none	*1.29a*
		Dreyfus Strategic Growth[4]/Dreyfus	—*	4.7	none	52	-11	3.00	*1.58a*
		Dreyfus Strategic Investing/Dreyfus	—*	7.9	0.8	229	88	4.50	*1.93*
C	D	Dreyfus Third Century Fund/Dreyfus	9.4	5.5	1.0	445	71	none	1.04
		Eaton Vance Equity-Income/Eaton Vance	—*	6.2	4.3	50	-5	6.00b	*2.58*
B	B	Eaton Vance Growth Fund/Eaton Vance	13.2	13.6	0.5	139	7	4.75	*0.89*
C	B	Eaton Vance Special Equities/Eaton Vance	11.3	8.6	none	66	8	4.75	*0.94*
C	B	Eaton Vance Stock Fund/Eaton Vance	12.4	11.3	2.9	87	3	4.75	*0.94*
C	■A	Eaton Vance Total Return Trust/Eaton Vance	—*	19.0	5.6	534	12	4.75	*1.13*

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Eclipse Financial Asset–Equity/Eclipse	—*	9.5%	1.0%	$145	7%	none	$1.14
		Emblem–Earnings Momentum Equity/Winsbury	—*	-1.8	0.6	40	28	4.00%	1.04
		Emblem–Ohio Regional Equity/Winsbury	—*	22.2	1.8	33	55	4.00	1.04
		Emblem–Relative Value Equity/Winsbury	—*	9.5	1.6	203	25	4.00	0.91
		Enterprise Group–Cap Apprec/Enterprise	—*	20.2	none	50	156	4.75	*1.75a*
B	B	Enterprise Group–Growth/Enterprise	15.0%	14.1	0.9	75	17	4.75	*1.60a*
		Enterprise Group–Growth & Inc/Enterprise	—*	13.6	2.9	36	19	4.75	*1.50a*
		Equitable Funds–Growth-A/Equitable	—*	23.9	1.3	47	86	5.25	*1.40a*
		Equitable Funds–Growth & Income-A/Equitable	—*	15.0	2.3	41	248	5.25	*1.40a*
B	■C	Equity Strategies Fund/Whitman	—*	22.7	none	76	20	†	1.12
C	C	Evergreen Fund/Lieber	11.9	11.5	1.3	736	3	none	1.14
■B	■A	Evergreen Limited Market Fund/Lieber	—*	14.0	0.7	58	31	†	1.25
D	A	Evergreen Total Return Fund/Lieber	13.9	12.8	5.6	1,041	-6	none	1.21
		Evergreen Value Timing Fund/Lieber	—*	12.0	1.5	50	17	none	1.41
F	C	FBL–Growth Common Stock/FBL	7.7	9.0	4.7	38	5	5.00b	*1.67*
		Federated Growth Trust/Federated	—*	12.5	1.7	373	69	none	1.01a
C	■A	Federated Stock Trust/Federated	—*	15.5	2.2	380	3	none	0.98
		Fidelity Advisor Equity–Growth/Fidelity	—*	15.0	0.1	121	115	4.75	1.03
■C	■B	Fidelity Advisor Equity–Inc/Fidelity	—*	18.9	3.6	128	-28	4.75	0.67a
		Fidelity Advisor–Growth Oppors[1]/Fidelity	—*	19.3	0.4	451	229	4.75	*1.63*
		Fidelity Blue Chip Growth Fund/Fidelity	—*	21.9	0.4	434	129	3.00	1.29
		Fidelity Capital Appreciation/Fidelity	—*	10.0	4.4	1,149	-14	3.00	0.71
A+	C	Fidelity Contrafund/Fidelity	15.9	25.9	0.4	1,287	114	3.00	0.89
A+	B	Fidelity Destiny Portfolio I/Fidelity	18.4	19.5	3.0	2,373	17	**	0.57
		Fidelity Destiny Portfolio II/Fidelity	—*	19.7	1.4	479	47	**	0.87
		Fidelity Disciplined Equity/Fidelity	—*	20.2	1.4	245	85	none	1.18
		Fidelity Emerging Growth/Fidelity	—*	12.3	none	511	78	3.00	1.31
D	A	Fidelity Equity-Income/Fidelity	15.1	18.9	4.2	4,600	12	2.00	0.68
		Fidelity Equity-Income II/Fidelity	—*	26.7	3.2	1,221	NM	none	1.52
B	B	Fidelity Fund/Fidelity	13.4	8.8	2.5	1,316	5	none	0.68
		Fidelity Growth & Income/Fidelity	—*	17.2	1.8	4,050	66	2.00	0.86
■A	■D	Fidelity Growth Company/Fidelity	—*	10.8	0.4	1,361	33	3.00	1.07
		Fidelity Low-Priced Stock Fund/Fidelity	—*	28.8	1.0	850	297	none[2]	1.21
A+	A	Fidelity Magellan Fund/Fidelity	21.3	16.7	1.5	20,554	35	3.00	1.05
		Fidelity Market Index[3]/Fidelity	—*	13.1	2.7	233	79	none	0.35a
		Fidelity OTC Portfolio/Fidelity	—*	18.3	0.5	1,032	27	3.00	1.17

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Fidelity Real Estate Investment/Fidelity	—*	17.5%	4.0%	$80	46%	none	$1.24
■A	■C	Fidelity Retirement Growth/Fidelity	—*	25.1	1.1	1,942	33	none	0.83
		Fidelity Select–Automotive/Fidelity	—*	43.5	0.1	112	NM	3.00%	2.48
		Fidelity Select–Biotechnology/Fidelity	—*	16.8	none	787	63	3.00	1.50
		Fidelity Select–Chemicals/Fidelity	—*	19.5	0.3	36	34	3.00	2.16
		Fidelity Select–Computers/Fidelity	—*	10.3	none	25	30	3.00	2.17
		Fidelity Select–Develop Commun/Fidelity	—*	24.6	none	37	543	3.00	2.50
		Fidelity Select–Electric Utilities/Fidelity	—*	21.0	2.3	29	26	3.00	1.83
F	■C	Fidelity Select–Energy/Fidelity	—*	-0.1	1.3	80	-7	3.00	1.78
		Fidelity Select–Energy Service/Fidelity	—*	-14.1	none	46	-19	3.00	2.07
		Fidelity Select–Environ Services/Fidelity	—*	-9.1	none	58	-37	3.00	2.03
A	■B	Fidelity Select–Financial Services/Fidelity	—*	51.1	1.0	110	180	3.00	1.85
		Fidelity Select–Food & Agriculture/Fidelity	—*	11.3	0.4	102	39	3.00	1.83
A+	■D	Fidelity Select–Health Care/Fidelity	—*	10.2	none	814	27	3.00	1.44
		Fidelity Select–Industrial Materials/Fidelity	—*	25.2	0.1	30	183	3.00	2.47
		Fidelity Select–Leisure/Fidelity	—*	22.0	none	38	-1	3.00	2.21
		Fidelity Select–Medical Delivery/Fidelity	—*	5.4	none	110	-8	3.00	1.69
		Fidelity Select–Regional Banks/Fidelity	—*	59.4	1.0	195	574	3.00	1.77
		Fidelity Select–Retailing/Fidelity	—*	20.7	none	43	45	3.00	1.87
		Fidelity Select–Savings & Loan/Fidelity	—*	60.4	0.8	95	NM	3.00	2.08
		Fidelity Select–Software & Comp/Fidelity	—*	26.9	none	60	329	3.00	1.98
B	■F	Fidelity Select–Technology/Fidelity	—*	19.4	0.0	93	1	3.00	1.72
		Fidelity Select–Telecommun/Fidelity	—*	17.8	1.2	72	39	3.00	1.90
C	■A	Fidelity Select–Utilities/Fidelity	—*	17.9	3.7	239	23	3.00	1.51
		Fidelity Special Sits-Advisor[1]/Fidelity	—*	11.4	3.2	195	-7	4.75	*1.39*
		Fidelity Stock Selector/Fidelity	—*	19.2	0.5	244	189	3.00[2]	1.31
B	D	Fidelity Trend Fund/Fidelity	11.0%	15.7	1.0	851	9	none	0.53
		Fidelity Utilities Income/Fidelity	—*	18.4	4.6	720	126	none	0.95
B	B	Fidelity Value Fund/Fidelity	13.4	19.2	2.6	307	163	none	1.00
D	■C	Fiduciary Capital Growth/Fiduciary Mgmt	—*	14.1	0.9	34	13	none	1.48
B	D	Financial Dynamics Fund/Invesco	10.8	21.2	0.0	143	70	none	*1.18*
B	C	Financial Industrial Fund/Invesco	10.6	11.9	1.2	407	5	none	*1.06*
A	B	Financial Industrial Income/Invesco	15.7	17.0	2.7	2,093	138	none	*0.98*
		Financial Series–Equity/Invesco	—*	13.3	2.2	64	81	none	0.98
		Financial Series–Flex/Invesco	—*	14.7	4.0	104	79	none	0.92
		Financial Strategic–Finl Svcs/Invesco	—*	41.0	0.8	242	493	none	1.15

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Financial Strategic–Gold/Invesco	—*	-8.6%	none	$49	10%	none	$1.51
		Financial Strategic–Health Sci/Invesco	—*	14.8	0.3%	759	111	none	1.04
		Financial Strategic–Leisure/Invesco	—*	24.1	none	35	201	none	1.94
		Financial Strategic–Technology/Invesco	—*	30.4	none	131	238	none	1.22
		Financial Strategic–Utilities/Invesco	—*	19.9	2.9	82	63	none	1.24
		First Eagle Fund of America/First Eagle	—*	15.6	0.6	78	5	none§	2.90
		First Financial Fund/closed-end	—*	77.0	0.7	110	67	NA	1.23
		First Investors Blue Chip/First Inv	—*	9.2	1.0	88	32	6.90%	*1.53a*
		Flag Investors Emerging Growth/Brown	—*	5.5	none	42	-3	4.50	*1.50a*
		Flag Investors Quality Growth/Brown	—*	7.5	1.0	67	26	4.50	*1.25a*
		Flag Investors Telephone Income/Brown	—*	12.1	3.9	265	33	4.50	*0.92a*
■F	■A	Flex-funds–Growth Fund[1]/Flex	—*	6.9	2.1	34	15	none	*1.49*
		Flex-funds–Muirfield Fund/Flex	—*	10.1	0.6	50	42	none	*1.43*
		Fortis Advantage–Capital Apprec/Fortis	—*	15.6	none	39	65	4.50	*1.70*
B	B	Fortis Capital Fund[2]/Fortis	14.4%	20.3	0.6	215	28	4.75	*1.22*
A	■C	Fortis Fiduciary Fund[3]/Fortis	—*	21.3	0.5	42	20	4.75	*1.42*
A	C	Fortis Growth Fund[4]/Fortis	14.6	18.5	0.1	461	66	4.75	*1.14*
		Fortress Utility Fund/Federated	—*	17.2	5.7	260	255	2.00b	1.11a
C	C	Founders Blue Chip/Founders	12.4	6.6	0.9	273	6	none	*1.10*
		Founders Discovery Fund/Founders	—*	23.2	none	55	174	none	*1.77*
		Founders Frontier Fund/Founders	—*	12.5	0.0	107	48	none	*1.68*
B	C	Founders Growth Fund/Founders	12.6	14.8	0.7	122	22	none	*1.45*
A	D	Founders Special Fund/Founders	11.9	18.1	0.6	275	128	none	1.15
A	C	FPA Capital Fund/FPA	12.2	19.0	0.6	100	19	6.50	1.08
B	A	FPA Paramount Fund/FPA	16.2	9.2	2.9	272	16	†	0.91
		FPA Perennial Fund/FPA	—*	14.7	2.8	64	11	6.50	1.10
C	D	Franklin DynaTech Fund/Franklin	10.6	12.0	1.2	63	40	4.00	0.80
C	D	Franklin Equity Fund/Franklin	10.9	2.9	2.0	365	-3	4.00	0.68
C	B	Franklin Growth Fund/Franklin	14.0	6.7	2.6	495	80	4.00	0.64
		Franklin Rising Dividends/Franklin	—*	12.3	2.0	99	104	4.00	*1.53*
D	A+	Franklin Utilities Fund/Franklin	16.5	21.1	6.2	1,883	83	4.00	0.56
		Freedom Inv–Gold & Govt-A/Hancock	—*	11.2	6.1	53	-9	4.50	*1.46*
		Freedom Inv–Regional Bank-A/Hancock	—*	49.2	1.9	77	51	4.50	*1.41*
		Freedom Inv III–Environmental-A/Hancock	—*	-5.8	none	29	-37	4.50	*2.14*
A	B	Fundamental Investors/American Funds	15.5	14.2	2.3	1,254	30	5.75	*0.69*
		FundTrust–Aggressive Growth/Signature	—*	12.6	1.9	28	31	1.50	*1.75a*

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Gabelli Asset Fund/Gabelli	—*	12.0%	2.0%	$554	25%	none	*$1.30*
		Gabelli Equity Trust/closed-end	—*	6.1	1.8	601	18	NA	1.24
		Gabelli Growth Fund/Gabelli	—*	12.4	0.8	498	62	none	*1.45*
		Gabelli Value Fund/Gabelli	—*	7.2	1.9	474	-39	5.50%	*1.45*
D	A	Gateway Index Plus Fund/Gateway	10.7%	11.9	1.9	128	101	none	1.22
A	C	General American Investors/closed-end	14.3	14.5	0.4	524	10	NA	1.02
C	B	General Securities/Craig-Hallum	13.0	15.6	4.3	26	15	5.00	1.39
		Gintel Capital Appreciation Fund/Gintel	—*	13.5	0.6	42	19	none	2.00
D	■A	Gintel Erisa Fund/Gintel	—*	6.7	2.6	54	-33	none	1.46
C	■B	Gintel Fund/Gintel	—*	14.0	2.0	83	-5	none	1.36
		GIT Equity Trust–Special Growth/GIT	—*	-1.5	1.0	55	-4	none	1.39
		Gradison Established Growth/Gradison	—*	4.2	2.2	176	14	none	*1.31*
		Gradison Opportunity Growth/Gradison	—*	14.9	1.1	48	64	none	*1.49*
B	B	Growth Fund of America/American Funds	13.9	11.9	1.6	3,611	41	5.75	*0.83*
		Growth Fund of Washington/Washington	—*	5.9	1.1	32	-17	5.00	*1.64*
		GS Capital Growth Fund/Goldman	—*	22.0	2.2	528	12	5.50	*1.53a*
		GS Select Equity Fund/Goldman	—*	5.1	0.1	134	19	5.50	*1.57a*
		GT Global Growth–America/GT Global	—*	5.6	0.1	87	-3	4.75	*1.70*
B	B	Guardian Park Ave Fund/Guardian	15.7	16.4	3.7	280	8	4.50	0.68
		GW Sierra–Equity Opportunity/Gt Western	—*	23.0	0.2	28	224	4.50	*2.00*
		GW Sierra–Growth & Income/Gt Western	—*	8.6	1.5	84	146	4.50	*1.50*
C	D	John Hancock Growth Fund/Hancock	9.4	8.5	0.3	132	5	5.00	*1.44*
C	A	John Hancock Sovereign Inv¹/Hancock	15.1	15.3	2.7	482	357	5.00	*1.18*
		John Hancock Special Equities/Hancock	—*	26.8	none	34	164	5.00	*2.14*
■D	■C	John Hancock Tech–Global Tech/Hancock	—*	8.0	0.3	29	-6	5.00	2.32
D	D	John Hancock Tech–Natl Aviation/Hancock	8.2	3.0	0.1	66	-5	5.00	1.64
		H&Q Healthcare Investors/closed-end	—*	24.5	0.2	104	20	NA	1.71
		Harbor Capital Appreciation/HCA	—*	22.7	0.3	73	3	none	0.86
		Harbor Growth Fund/HCA	—*	2.5	0.4	189	-2	none	0.89
		Harbor Value/HCA	—*	11.1	3.2	58	66	none	0.80a
A+	F	Hartwell Emerging Growth/Keystone	10.2	18.5	none	143	198	4.75	*1.56*
		Heartland Group–Value Fund/Heartland	—*	28.0	none	36	43	4.50	*1.80*
		Heritage Capital Appreciation/Heritage	—*	16.8	1.9	65	6	4.00	*1.74a*
		HighMark Income Equity/Winsbury	—*	15.6	4.0	69	51	none	1.11a
		HT Insight–Equity Fund/TBC	—*	12.0	2.4	31	3	4.50	*0.94a*
		Wayne Hummer Growth Fund/Hummer	—*	12.4	1.8	61	66	none	1.23

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
A	B	IAI Regional Fund/IAI Funds	15.5%	10.1%	1.1%	$553	70%	none	*$1.25*
D	B	IAI Stock Fund/IAI Funds	13.0	11.3	0.9	115	24	none	*1.25*
		IAI Value/IAI Funds	—*	8.0	1.1	29	19	none	*1.25*
		IDEX Fund/Aegon	—*	20.6	0.6	285	77	8.50%	1.32
		IDEX II/Aegon	—*	18.9	0.4	307	214	5.50	*1.61*
		IDEX Fund 3/Aegon	—*	16.9	0.5	198	16	†	1.21
		IDS Blue Chip Advantage/IDS	—*	11.7	1.8	100	83	5.00	*1.11a*
B	■ D	IDS Discovery Fund/IDS	—*	10.6	0.2	274	45	5.00	*0.98*
		IDS Diversified Equity Income/IDS	—*	19.6	4.9	109	611	5.00	0.95a
B	C	IDS Equity Plus/IDS	12.7	12.4	1.4	436	10	5.00	0.77
A	D	IDS Growth Fund/IDS	13.5	15.2	1.0	819	11	5.00	0.87
		IDS Managed Retirement Fund/IDS	—*	19.6	2.1	1,208	38	5.00	0.95
A	C	IDS New Dimensions Fund/IDS	16.5	17.3	1.2	2,107	60	5.00	0.93
D	B	IDS Progressive Fund/IDS	11.2	10.9	2.5	159	21	5.00	0.98
C	B	IDS Stock Fund/IDS	12.6	12.1	3.2	1,602	13	5.00	0.72
		IDS Strategy–Aggressive Equity/IDS	—*	11.7	0.1	455	29	5.00b	*1.74*
		IDS Strategy–Equity/IDS	—*	17.7	2.4	545	41	5.00b	*1.73*
		IDS Utilities Income/IDS	—*	19.0	5.1	406	61	5.00	0.92
		Inefficient-Market Fund/closed-end	—*	7.5	6.3	47	0	NA	1.40
B	B	Investment Co of America/American Funds	15.6	13.3	2.6	12,637	65	5.75	*0.59*
D	D	Investors Research Fund/Diversified	10.7	8.3	1.2	61	0	6.75	0.90
C	A	Ivy Growth Fund/Ivy	15.1	9.5	1.7	215	3	5.75	*1.32*
A	A	Janus Fund/Janus	16.7	19.1	1.0	4,379	123	none	0.96
		Janus Growth & Income Fund/Janus	—*	23.9	0.9	193	NM	none	1.62
		Janus Twenty Fund/Janus	—*	22.1	0.1	2,116	287	none	1.01a
		Janus Venture Fund/Janus	—*	16.0	0.5	1,481	99	†	1.02a
D	B	JP Growth Fund/Jefferson-Pilot	12.6	9.5	1.9	31	10	5.50	0.87
		Kaufmann Fund/Kaufmann	—*	18.3	none	174	156	none§	*3.12*
		Kemper Blue Chip Fund/Kemper	—*	10.9	1.1	153	202	5.75	1.46
	–	Kemper Environmental Services/Kemper	—*	-7.3	none	50	-22	5.75	1.53
A	D	Kemper Growth Fund/Kemper	13.2	15.6	0.4	1,255	158	5.75	1.03
		Kemper Invest-Growth[1]/Kemper	—*	10.7	none	647	74	3.00b	*2.13*
A	D	Kemper Small Cap Equity[2]/Kemper	12.2	19.2	0.2	304	26	5.75	1.27
C	D	Kemper Technology Fund/Kemper	9.0	7.2	0.3	535	-1	5.75	0.78
A	F	Keystone America Omega/Keystone	10.6	15.9	0.4	59	27	4.75	*1.45*
C	D	Keystone Custodian K-2/Keystone	10.6	11.4	0.8	309	3	4.00b	*1.62*

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	C	Keystone Custodian S-1/Keystone	10.1%	9.0%	1.5%	$184	12%	4.00%b	*$1.91*
C	D	Keystone Custodian S-3/Keystone	11.0	11.0	0.9	243	0	4.00b	*1.45*
A	F	Keystone Custodian S-4/Keystone	7.2	16.8	none	759	35	4.00b	*1.46*
		Kidder, Peabody Equity Income/Kidder	—*	15.9	1.0	146	62	5.75	*1.27*
		Laurel Funds-Stock/Russell	—*	14.3	1.5	41	114	none	*0.90a*
		Legg Mason Special Investment/Legg Mason	—*	12.1	0.9	206	68	none	*2.07a*
		Legg Mason Total Return Trust/Legg Mason	—*	25.1	2.5	70	167	none	*2.07*
■C	■B	Legg Mason Value Trust/Legg Mason	—*	18.5	1.6	756	13	none	*1.88a*
B	B	Lexington Corp Leaders Trust/Lexington	14.0	12.9	3.4	98	9	none	0.67
D	C	Lexington Growth & Income/Lexington	11.1	12.2	2.0	117	5	none	*1.38*
		Liberty All-Star Equity Fund/closed-end	—*	14.8	5.3	620	17	NA	1.16
		Liberty Utility Fund/Federated	—*	17.3	5.4	462	161	4.50	1.05a
		Lindner Dividend Fund/Lindner	—*	23.6	8.4	382	106	none •	0.8u
D	A+	Lindner Fund/Lindner	16.9	17.5	3.3	978	25	none	0.80
D	D	Lord Abbett Developing Growth/Lord Abbett	6.9	6.6	0.2	131	3	5.75	*1.14*
		Lord Abbett Fundamental Value/Lord Abbett	—*	13.4	2.1	26	7	5.75	*1.86*
■B	■C	Lord Abbett Value Appreciation/Lord Abbett	—*	17.0	1.9	158	2	5.75	*1.14*
C	A	Lutheran Brotherhood Fund/Lutheran	14.0	13.2	1.7	394	22	5.00	1.00
		Mackenzie American Fund/Mackenzie	—*	2.1	0.3	38	-13	5.75	*2.00*
		Main Street-Income & Growth/Oppenheimer	—*	37.7	1.4	27	68	4.75	*1.84*
		MainStay-Capital Appreciation/NYLife	—*	27.0	none	121	134	5.00b	*1.88*
		MainStay-Equity Index Fund/NYLife	—*	13.9	1.4	39	77	5.50	1.10
		MainStay-Value Fund/NYLife	—*	23.8	0.7	72	79	5.00b	*1.88*
A	C	Mairs & Power Growth Fund/Mairs & Power	13.6	11.2	1.2	31	13	none	1.09
B	D	Horace Mann Growth Fund/Mann	12.0	11.5	3.0	131	15	†	0.76
B	C	Mass Investors Growth Stock/MFS	11.5	15.7	none	958	10	5.75	*0.77*
B	C	Mass Investors Trust/MFS	12.8	11.9	2.8	1,487	7	5.75	*0.62*
D	C	Mathers Fund/Mathers	10.6	3.4	5.0	540	24	none	0.94
		Mentor Growth Fund†/Wheat First	—*	15.2	none	110	18	5.00b	*2.17*
C	B	Merrill Lynch Basic Value-A/ML Funds	14.6	14.8	3.7	2,735	16	6.50	0.58
C	A	Merrill Lynch Capital Fund-A/ML Funds	15.4	13.1	5.0	3,517	75	6.50	0.58
		Merrill Lynch Fund for Tomorrow-A/ML Funds	—*	14.7	2.2	454	2	6.50	0.95
		Merrill Lynch Grow Inv & Retire-A/ML Funds	—*	-5.0	none	810	5	6.50	0.85
		Merrill Lynch Natural Resources-A/ML Funds	—*	3.0	3.4	259	0	6.50	0.95
F	D	Merrill Lynch Special Value-A/ML Funds	4.7	16.8	0.6	84	59	6.50	1.55
		Merrill Lynch Strategic Div-A/ML Funds	—*	12.2	4.1	267	-16	6.50	0.88

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Merriman Capital Appreciation/Merriman	—*	8.3%	2.4%	$44	9%	none	$1.35a
		MetLife-State Street Cap Apprec/State St	—*	27.0	0.0	116	85	4.50%	*1.50a*
	•	MetLife-State Street Equity Inc/State St	—*	14.8	3.9	51	13	4.50	*1.50a*
		MetLife-State Street Equity Inv/State St	—*	18.0	0.3	48	36	4.50	*1.50a*
C	C	MFS Capital Development Fund/MFS	11.0%	6.6	1.3	668	-6	5.75	*1.05*
A	■D	MFS Emerging Growth/MFS	—*	16.4	none	235	25	5.75	*1.43*
		MFS Lifetime Capital Growth/MFS	—*	10.7	none	375	34	6.00b	*2.28*
		MFS Lifetime Emerging Growth/MFS	—*	28.8	none	255	142	6.00b	*2.50*
		MFS Lifetime Managed Sectors/MFS	—*	19.1	none	213	28	6.00b	*2.44*
		MFS Lifetime Total Return/MFS	—*	12.6	2.6	319	32	6.00b	*2.30*
		MFS Managed Sectors/MFS	—*	20.3	none	129	19	5.75	*1.69*
B	D	MFS Research†/MFS	11.2	17.1	0.3	233	10	5.75	*1.11*
■B	■C	MFS Special Fund/MFS	—*	13.6	0.8	103	3	5.75	*1.57*
		Midwest Strategic-Utility Income/MGF	—*	16.1	4.2	35	188	4.75	*1.63*
		Monetta Fund/Monetta	—*	20.3	0.4	231	NM	none	1.41
		Montgomery Small-Cap/Montgomery	—*	26.7	none	180	563	†	1.50a
		Morgan Grenfell SmallCap Fund/closed-end	—*	9.1	none	59	5	NA	1.79
		Morgan Keegan Southern Cap/Morgan Keegan	—*	17.5	1.3	29	120	3.00	*2.00a*
D	C	MSB Fund/Nationar	11.2	7.6	1.4	40	-5	none	1.32
A	B	Mutual Benefit Fund/Green Hill	15.9	15.7	2.4	46	9	4.75	0.85
B	C	Mutual of Omaha Growth/Mutual of Omaha	11.4	9.3	0.2	93	41	4.75	*1.22*
C	C	Mutual Series-Beacon/Heine Secs	11.0	15.3	2.9	430	-4	none	0.85
C	A+	Mutual Series-Mutual Shares/Heine Secs	15.4	16.0	2.8	2,674	-1	†	0.82
D	A+	Mutual Series-Qualified/Heine Secs	17.1	16.8	2.9	1,132	-2	†	0.87
D	D	National Industries Fund/Stonebridge	6.9	10.7	1.5	34	4	none	1.62
C	B	National Stock Fund/National Secs	11.0	9.4	1.3	198	-4	5.75	*1.36*
A	B	Nationwide Fund/Nationwide	14.9	10.6	2.4	686	21	7.50	0.60
B	B	Nationwide Growth Fund/Nationwide	15.1	20.5	2.1	313	28	7.50	0.65
		N & B Genesis Fund/N & B	—*	14.9	0.1	70	169	none	2.00a
A	C	N & B Guardian Fund/N & B	14.0	20.0	1.7	756	30	none	0.84
B	C	N & B Manhattan Fund/N & B	13.7	9.9	1.0	392	-2	none	1.10
D	A	N & B Partners Fund/N & B	14.0	13.2	1.8	833	1	none	0.88
C	D	N & B Selected Sectors/N & B	9.1	18.1	1.7	425	10	none	0.93
		New Economy Fund/American Funds	—*	16.5	1.1	1,016	14	5.75	*0.92*
A	C	New York Venture Fund/Venture	15.7	17.8	2.1	461	22	4.75	*0.91*
D	D	Newton Growth Fund/Newton	9.9	7.0	1.9	39	11	none	1.25

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Nicholas-Applegate Growth Eq-A/Prudential	—*	18.2%	none	$155	51%	5.25%	*$1.98*
B	A	Nicholas Fund/Nicholas	16.0%	14.1	1.6%	2,269	32	none	0.78
		Nicholas II/Nicholas	—*	6.3	1.0	623	37	none	0.64
		Nicholas Limited Edition/Nicholas	—*	10.8	0.8	165	43	†	0.94
B	C	Northeast Investors Growth/Northeast Inv	11.9	11.6	1.3	37	17	none	1.10
		Oberweis Emerging Growth/Oberweis	—*	16.1	none	33	130	none§	*2.13a*
		Olympic Trust–Equity Income/Olympic	—*	19.3	2.8	71	14	none	1.00a
		Olympus Stock Fund[1]/Olympus	—*	10.7	0.8	42	50	4.75	*1.66*
		Oppenheimer Discovery/Oppenheimer	—*	23.9	none	261	202	5.75	*1.34*
D	B	Oppenheimer Equity Income/Oppenheimer	14.5	10.2	5.3	1,556	12	5.75	*0.82*
C	F	Oppenheimer Fund/Oppenheimer	6.3	10.8	3.3	210	3	5.75	*1.05*
C	C	Oppenheimer Special Fund/Oppenheimer	9.8	15.5	1.4	630	14	5.75	*0.87*
■C	■D	Oppenheimer Target[2]/Oppenheimer	—*	10.6	0.8	339	8	5.75	*1.21*
B	D	Oppenheimer Time Fund/Oppenheimer	12.5	8.8	1.5	330	6	5.75	0.95
B	D	Oppenheimer Total Return/Oppenheimer	11.3	14.9	3.1	647	42	5.75	*0.95*
		Oppenheimer Value Stock/Oppenheimer	—*	13.8	2.3	53	16	5.75	*1.26*
D	B	Over-the-Counter Securities Fund/USF&G	10.7	13.0	0.5	220	-10	5.75	*1.34*
		Pacific Horizon-Aggres Growth/Pacific	—*	6.6	none	133	14	4.50	*1.44a*
		Pacifica Equity Value Fund/Furman Selz	—*	11.5	2.0	89	49	4.50	*1.02a*
		PaineWebber Blue Chip Growth-A/PaineWebber	—*	6.4	none	101	-4	4.50	*1.23*
		PaineWebber Dividend Growth/PaineWebber	—*	10.6	1.1	744	285	4.50	*1.42*
		PaineWebber Growth Fund-A/PaineWebber	—*	11.9	0.0	139	63	4.50	*1.56*
		PaineWebber Regional Fin'l Growth-A/PaineWebber	—*	42.2	0.8	48	12	4.50	*1.72*
		Parkstone Equity/Winsbury	—*	14.8	1.3	408	37	4.50	1.22a
		Parkstone High Income Equity/Winsbury	—*	12.2	3.9	271	79	4.50	1.20a
		Parkstone Small Cap/Winsbury	—*	12.5	none	181	68	4.50	1.20a
		Parnassus Fund/Parnassus	—*	21.4	0.2	39	36	3.50	1.51
		Pasadena Growth Fund/Pasadena	—*	21.4	none	479	210	5.50	1.90
		Pasadena Nifty Fifty/Pasadena	—*	14.9	0.6	171	NM	5.50	2.30
		Patriot Premium Dividend Fund/closed-end	—*	24.5	8.1	214	11	NA	1.41
		Patriot Premium Dividend Fund II/closed-end	—*	26.5	7.6	280	11	NA	1.33
		Patriot Select Dividend Trust/closed-end	—*	24.5	10.5	225	10	NA	1.46
C	B	Penn Square Mutual Fund/Penn Square	13.1	12.4	2.6	226	6	4.75	*0.95*
C	B	Pennsylvania Mutual Fund/Penn Mutual	14.0	13.8	1.6	924	31	none§	0.95
		Peoples Index Fund/Dreyfus	—*	13.3	2.6	82	52	none	0.00a
		Peoples S&P MidCap Index/Dreyfus	—*	18.3	0.6	37	660	none	0.00a

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	D	Petroleum & Resources Corp/closed-end	5.6%	3.8%	3.3%	$312	0%	NA	$0.55
D	C	Philadelphia Fund/Baxter	8.4	12.0	1.1	84	-5	none	*1.61*
B	A	Phoenix Growth Fund/Phoenix	17.4	8.9	2.2	1,843	89	4.75%	*1.20*
		Phoenix Multi-Capital Apprec/Phoenix	—*	14.2	1.3	198	205	4.75	*1.24*
C	■B	Phoenix Stock Fund/Phoenix	—*	6.7	2.0	123	3	4.75	*1.30*
D	■B	Phoenix Total Return/Phoenix	—*	15.6	1.5	46	45	4.75	*1.58*
		Pierpont Capital Appreciation/TBC	—*	18.1	2.0	95	NA	none	0.91a
		Pierpont Equity Fund/TBC	—*	16.6	2.2	109	NA	none	0.91a
C	C	Pilgrim MagnaCap Fund†/Pilgrim	10.9	11.9	2.0	197	-2	3.00	*1.60*
		Pilgrim Regional BankShares/closed-end	—*	35.3	7.7	114	25	NA	1.31
		Pioneer Capital Growth Fund/Pioneer	—*	18.6	0.3	55	400	5.75	*1.55a*
C	D	Pioneer Fund/Pioneer	10.6	12.9	2.6	1,673	8	5.75	*0.99*
C	B	Pioneer II/Pioneer	12.8	13.3	2.5	3,993	0	5.75	*0.98*
■B	■B	Pioneer Three/Pioneer	—*	16.1	2.0	759	11	5.75	*0.84*
		Piper Jaffray Emerging Growth/Piper	—*	14.9	none	104	153	4.00	*1.30a*
		Piper Jaffray Value Fund/Piper	—*	13.3	0.9	186	118	4.00	*1.30*
		Portico-Equity Index Fund/Sunstone	—*	13.0	2.5	59	28	‡	0.50a
		Portico-Income & Growth Fund/Sunstone	—*	11.0	3.3	130	48	none	0.75a
		Portico-Special Growth Fund/Sunstone	—*	14.6	0.7	169	138	none	0.79a
		T Rowe Price Capital Appreciation/Price	—*	9.8	3.8	288	60	none	1.11
		T Rowe Price Equity Income Fund/Price	—*	15.4	4.4	1,746	57	none	1.03
■C	■B	T Rowe Price Growth & Income/Price	—*	13.7	4.2	725	25	none	0.90
C	D	T Rowe Price Growth Stock Fund/Price	10.0	13.7	1.4	1,792	14	none	0.86
		T Rowe Price New America Growth/Price	—*	14.6	none	285	80	none	1.25
D	D	T Rowe Price New Era Fund/Price	8.1	3.2	2.8	717	-6	none	0.84
D	D	T Rowe Price New Horizons Fund/Price	8.0	8.2	0.4	1,199	1	none	0.96
		T Rowe Price Science & Technology/Price	—*	17.3	none	177	30	none	1.25a
		T Rowe Price Small-Cap Value Fund/Price	—*	15.5	1.1	157	270	none	1.25a
		T Rowe Price Spectrum-Growth/Price	—*	11.2	2.0	255	197	none	0.93
		Primary Trend Fund/Primary Trend	—*	7.1	3.7	32	-3	none	1.20
		Prime Value-Altura ValuGrowth/Forum	—*	15.9	1.0	69	NM	4.50	1.19a
		Principal Preservation-S&P 100 +/Ziegler	—*	11.0	1.8	28	21	4.50	*1.28*
D	A	Princor Capital Accumulation/Princor	14.0	13.3	2.2	180	25	5.00	*0.92*
		Princor Emerging Growth/Princor	—*	18.2	0.9	26	88	5.00	*1.61*
A	D	Princor Growth Fund/Princor	12.0	21.6	1.5	56	36	5.00	*1.07*
D	B	ProvidentMutual Growth/Provident	12.4	8.6	none	133	10	6.00	*1.62*

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	B	ProvidentMutual Investment Shrs/Provident	11.2%	-3.0%	1.3%	$157	-16%	6.00%	*$1.42*
B	■B	Prudential Equity Fund-A/Prudential	—*	10.1	2.2	1,168	42	5.25	*0.97*
		Prudential Equity Income-A/Prudential	—*	12.7	3.7	225	60	5.25	*1.37*
		Prudential FlexiFund-Conserv-A/Prudential	—*	11.8	4.1	227	40	5.25	*1.28*
		Prudential FlexiFund-Strategy-A/Prudential	—*	12.0	3.9	322	49	5.25	*1.27*
■C	■C	Prudential Growth Fund-A[1]/Prudential	—*	3.9	1.6	255	-4	5.25	*1.40*
B	■D	Prudential Growth Oppor-A/Prudential	—*	18.4	none	261	54	5.25	*1.36*
		Prudential Multi-Sector-A/Prudential	—*	7.1	1.4	155	12	5.25	*1.34*
B	■A	Prudential Utility Fund-A/Prudential	—*	15.3	4.6	3,107	24	5.25	*0.92*
		Putnam Corp Asset Trust/Putnam	—*	16.9	8.3	137	5	2.50	0.88
		Putnam Dividend Growth/Putnam	—*	11.7	2.8	31	95	5.75	*1.90*
D	F	Putnam Energy-Resources Trust/Putnam	1.8	4.4	2.6	102	-15	5.75	*1.53*
B	B	Putnam Fund for Growth & Inc-A/Putnam	13.7	14.7	4.4	3,283	37	5.75	*0.99*
A	■D	Putnam Health Sciences Trust/Putnam	—*	3.3	1.0	936	65	5.75	*1.23*
C	D	Putnam Investors Fund/Putnam	10.9	4.6	1.8	690	-3	5.75	*0.89*
		Putnam Managed Inc[2]/Putnam	—*	12.7	1.4	645	-11	5.75	*1.14*
		Putnam New Opportunities[3]/Putnam	—*	18.6	0.1	141	NM	5.75	*2.40a*
■B	■C	Putnam OTC Emerging Growth/Putnam	—*	9.2	none	253	15	5.75	*1.48*
D	B	Putnam Strategic Income[4]/Putnam	9.9	5.9	5.4	352	-24	5.75	*1.20*
		Putnam Utilities Growth & Inc-A/Putnam	—*	14.9	6.2	381	460	5.75	*1.70*
A	B	Putnam Vista Fund/Putnam	15.2	18.7	2.6	321	20	5.75	*0.99*
A+	D	Putnam Voyager Fund-A/Putnam	15.0	17.5	0.3	1,487	62	5.75	*1.19*
C	A+	Quest for Value Fund/Quest	17.8	16.6	0.7	126	91	5.50	*1.72*
		Quest for Value-Small Cap/Quest	—*	19.7	none	38	384	5.50	*2.25*
		Quest for Value Dual-Capital[5]/closed-end	—*	27.0	3.5	669	20	none	0.75
		Quest for Value Dual-Income							
		Reich & Tang Equity Fund/Reich & Tang	—*	12.1	1.9	82	5	none	1.12
		Reynolds Blue Chip Growth Fund/Fiduciary Mgmt	—*	12.9	0.6	39	71	none	1.50
		Rightime Blue Chip Fund/Lincoln Inv	—*	3.4	1.1	205	15	4.75	*2.56*
		Rightime Fund/Lincoln Inv	—*	4.4	0.5	167	4	none	*2.58*
		Rightime Growth Fund/Lincoln Inv	—*	5.6	1.1	40	-5	4.75	*2.57*
		Robertson Stephens Emerging Growth/Robertson	—*	9.6	none	197	208	none	*1.59*
		Rodney Square Multi-Mngr-Growth/Rodney Sq	—*	10.5	0.1	51	7	4.00	*1.50a*
		Royce Fund-Equity Income/Quest Dist	—*	14.7	4.3	45	11	none	0.99a
■D	■B	Royce Fund-Value/Quest Dist	—*	12.8	1.0	165	-2	4.50	*1.69a*
		Royce Value Trust/closed-end	—*	16.6	1.4	183	21	NA	0.79

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		RPF of America–Equity Fund/Venture	—*	-4.5%	0.7%	$43	37%	5.00%b	*$2.49*
		Rushmore–Nova/Rushmore	—*	-5.8	5.0	54	-43	none	1.14
B	C	Safeco Equity Fund/Safeco	11.4%	7.3	1.7	79	17	none	0.96
D	C	Safeco Growth Fund/Safeco	10.0	-1.8	0.3	138	14	none	0.92
D	A	Safeco Income Fund/Safeco	13.6	13.6	5.1	177	-3	none	0.91
		Safeco Northwest Fund/Safeco	—*	11.5	0.6	31	68	none	1.14
		St Clair Equity–Capital Growth/Fairfield	—*	10.3	0.7	104	83	none	1.11a
		Salem Funds–Value-Investment†/Federated	—*	10.6	2.6	149	19	4.00	*0.96a*
C	B	Salomon Brothers Capital/Salomon	13.6	16.6	1.8	98	23	5.00	1.48
C	B	Salomon Brothers Fund/closed-end	12.0	10.7	3.0	1,070	5	NA	0.43
C	B	Salomon Brothers Investors/Salomon	12.3	12.7	2.8	355	1	5.00	0.70
C	B	Salomon Brothers Opportunity/Salomon	14.4	15.3	1.8	100	1	none	1.26
		SBSF–Growth Fund/SBSF	—*	6.6	3.8	100	-2	none	*1.09*
A	C	Scudder Capital Growth/Scudder	13.6	17.9	1.2	1,065	14	none	0.99
B	C	Scudder Development Fund/Scudder	10.5	12.8	none	694	45	none	1.27
B	C	Scudder Growth & Income Fund/Scudder	11.5	20.2	3.2	855	50	none	0.97
		Scudder Quality Growth/Scudder	—*	18.4	0.2	73	974	none	1.25a
■D	■C	Security Action Fund/Security Dist	—*	5.4	1.1	289	8	**	0.78
A	D	Security Equity Fund/Security Dist	11.6	14.5	2.3	313	16	5.75	1.06
F	C	Security Investment Fund/Security Dist	7.7	7.2	5.3	74	-2	5.75	1.26
D	F	Security Ultra Fund/Security Dist	4.3	6.5	none	55	-9	5.75	1.44
B	A	Selected American Shares/Selected	15.3	13.1	0.9	569	2	none	*1.19*
C	D	Selected Special Shares/Selected	9.7	3.2	1.3	51	-15	none	*1.39*
A	D	Seligman Capital Fund/Seligman	13.6	18.6	none	166	24	4.75	1.06
B	B	Seligman Common Stock Fund/Seligman	13.7	16.4	3.2	488	6	4.75	0.76
		Seligman Communications & Info/Seligman	—*	19.4	none	47	17	4.75	1.69
		Seligman Frontier/Seligman	—*	11.9	none	25	20	4.75	*1.53*
B	D	Seligman Growth Fund/Seligman	10.2	9.7	0.5	541	2	4.75	0.80
B	A	Sentinel Common Stock Fund/Equity	15.7	15.6	3.1	665	10	8.50	0.71
C	C	Sentinel Growth Fund/Equity	12.2	5.9	1.0	—58	4	5.25	1.05
B	D	Sentry Fund/Sentry	10.9	8.8	2.4	66	15	none	0.84
C	A+	Sequoia Fund/Ruane	18.0	16.8	2.2	1,277	24	†	1.00a
		Shadow Stock Fund/Jones & Babson	—*	16.2	0.9	26	15	none	1.26
		Shearson Advisors/Shearson	—*	8.2	none	137	-4	5.50	*3.44*
		Shearson Aggressive Growth/Shearson	—*	8.6	none	184	50	5.00	1.05
B	B	Shearson Appreciation/Shearson	14.7	11.3	2.0	1,762	25	5.00	0.82

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Shearson Equity–Growth & Oppor/Shearson	—*	13.1%	1.0%	$125	-10%	5.00%b	*$2.14*
		Shearson Equity–Sector Analysis/Shearson	—*	7.6	0.8	189	7	5.00b	*2.15*
		Shearson Equity–Strategic Inv/Shearson	—*	15.0	4.3	271	31	5.00b	*2.09*
C	■ B	Shearson Fundamental Value/Shearson	—*	19.5	2.0	74	33	5.00	1.30
		Shearson Income–Premium Tot Ret/Shearson	—*	17.2	8.0	553	21	5.00b	*1.70*
D	■ C	Shearson Invest–Appreciation/Shearson	—*	10.6	1.6	964	37	5.00b	*1.85*
		Shearson Invest–Directions Value/Shearson	—*	5.6	0.5	200	-20	5.00b	*1.83*
■ D	■ D	Shearson Invest–Special Equities/Shearson	—*	8.2	0.3	62	-14	5.00b	*2.30*
		Shearson 1990s Fund/Shearson	—*	7.5	none	47	1	5.00	*1.60*
		Shearson Small Capitalization/Shearson	—*	7.8	none	56	66	5.00	1.40
		Shearson Telecommun–Growth/Shearson	—*	15.3	0.8	33	1	5.00	1.22
■ A	■ C	Sit New Beginning Growth Fund/Sit	—*	13.3	0.5	242	92	none	0.83
■ C	■ B	Sit New Beginning Income & Growth/Sit	—*	15.2	1.9	32	44	none	1.50
		Skyline Fund–Special Equities/Mesirow	—*	26.0	0.1	56	66	3.85	*1.55a*
D	C	Smith Barney Equity Fund/Smith Barney	10.4%	2.4	2.1	83	4	4.50	*0.98*
D	A+	Smith Barney–Income & Growth/Smith Barney	14.9	15.2	5.7	568	2	4.50	*0.93*
		Smith Barney–Utility/Smith Barney	—*	13.6	7.8	115	35	4.50	*1.00*
C	A+	SoGen International Fund/SoGen	16.1	15.9	4.4	409	57	3.75	*1.37*
		Sound Shore Fund/Forum	—*	15.5	1.6	34	5	none	1.34
D	A+	Source Capital/closed-end	15.5	14.2	2.8	319	5	NA	0.97
		SAM Small Cap Fund/Southeastern	—*	2.7	0.6	58	3	none	1.42
		SAM Value Trust/Southeastern	—*	15.8	0.4	215	33	none	1.29
		Stagecoach Corp Stock/Stagecoach	—*	12.2	1.0	216	23	none	0.97a
		Stagecoach Growth & Inc/Stagecoach	—*	16.3	1.1	26	445	4.50	0.50a
B	D	State Bond Common Stock Fund/SBM	10.6	8.0	1.5	43	6	4.75	*1.22*
C	B	State Bond Diversified Fund/SBM	12.9	13.5	2.9	33	28	4.75	*1.18*
B	C	State Street Investment Trust/State St	12.1	11.2	1.9	669	15	4.50	0.50
D	F	SteinRoe Capital Opportunities/Stein Roe	5.7	15.8	0.9	117	5	none	1.07
		SteinRoe Prime Equities/Stein Roe	—*	17.1	1.6	64	23	none	0.98
A	C	SteinRoe Special Fund/Stein Roe	14.7	11.9	1.8	596	10	none	0.99
B	D	SteinRoe Stock Fund/Stein Roe	10.2	16.7	0.8	325	22	none	0.92
D	C	Stratton Growth Fund/Stratton	11.0	12.5	3.6	25	4	none	1.35a
D	A+	Stratton Monthly Dividend Shares/Stratton	13.6	21.1	7.0	62	86	none	1.15a
		Strong Common Stock Fund/Strong	—*	20.6	13.6	84	368	2.00	1.50
		Strong Discovery Fund/Strong	—*	23.9	9.1	173	91	2.00	1.40
		Strong Opportunity Fund/Strong	—*	15.9	0.6	154	5	2.00	1.60

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		SunAmerica Capital Apprec/SunAmerica	—*	9.8%	none	$88	-24%	5.00%b	*$2.50*
		SunAmerica Equity-Aggress Grow/SunAmerica	—*	8.3	none	28	-12	5.75	*1.88*
		SunAmerica Equity-Growth/SunAmerica	—*	6.1	0.9%	27	-9	5.75	*1.79*
A	B	TNE Growth Fund/TNE	17.9%	17.6	1.0	1,078	47	†	*1.14*
C	D	TNE Growth Opportunities/TNE	9.2	14.5	1.8	75	19	5.75	*1.23*
D	A	TNE Retirement Equity Fund/TNE	13.2	14.2	1.8	154	9	6.50	*1.28*
		Third Avenue Value Fund/Whitman	—*	5.5	1.0	27	92	5.75	2.50*a*
		Thomson-Growth-A/Thomson	—*	15.5	none	857	75	5.50	*1.25*
		Thomson-Opportunity-A/Thomson	—*	33.8	none	148	210	5.50	*1.35*
		Tower-Capital Appreciation/Federated	—*	10.3	1.9	69	-10	4.50	0.83a
F	C	Transamerica Capital Apprec‡/Transamerica	8.7	-1.6	none	82	6	4.75§	*1.68*
		Transamerica Special Blue Chip/Transamerica	—*	8.7	none	32	45	6.00b	*2.76*
		Transamerica Spec Emerging Grow-A/Transamerica	—*	11.6	none	107	310	4.75	*1.65*
-B	C	Tri-Continental Corp/closed-end	12.6	12.3	2.8	1,798	7	NA	0.67
		20th Century Giftrust Investors/20th Century	—*	19.9	none	60	48	—‡	1.00
A+	D	20th Century Growth Investors/20th Century	13.2	22.5	0.1	4,085	61	—‡	1.00
		20th Century Heritage Investors/20th Century	—*	13.1	1.3	329	31	—‡	1.00
A	C	20th Century Select Investors/20th Century	14.4	8.2	1.7	4,395	17	—‡	1.00
A+	■F	20th Century Ultra Investors/20th Century	—*	16.9	none	3,757	228	—‡	1.00
		20th Century Vista Investors/20th Century	—*	14.1	none	778	44	—‡	1.00
■C	■B	UMB Stock Fund/Jones & Babson	—*	10.8	2.9	76	43	none	0.86
C	B	United Accumulative Fund/Waddell	13.6	11.9	2.6	910	7	8.50	0.63
A	A	United Income Fund/Waddell	17.4	14.4	2.4	2,304	22	8.50	0.66
■B	■C	United New Concepts Fund/Waddell	—*	24.5	0.2	149	74	8.50	1.16
B	C	United Science & Energy Fund/Waddell	11.7	14.7	0.5	370	31	8.50	0.85
		US Boston-Growth & Income/US Boston	—*	9.8	1.3	41	5	1.00b	*1.84*
C	D	US Trend Fund/Capstone	11.2	11.7	1.8	95	5	4.75	*1.02*
D	B	United Vanguard Fund/Waddell	13.2	4.2	1.5	822	2	8.50	0.96
D	■D	USAA Mutual-Aggressive Growth/USAA	—*	4.7	0.1	232	30	none	0.80
C	D	USAA Mutual-Growth Fund/USAA	9.2	14.4	2.4	404	40	none	1.09
		USAA Mutual-Income Stock/USAA	—*	18.2	5.2	298	124	none	0.77
		UST Master Funds-Equity/UST	—*	13.5	0.8	79	117	4.50	1.15
		Value Line Convertible Fund/Value Line	—*	14.5	5.6	36	-2	none	1.14
B	C	Value Line Fund/Value Line	10.9	12.2	1.2	256	7	none	0.71
D	A	Value Line Income Fund/Value Line	12.5	12.3	3.5	158	6	none	0.74
C	B	Value Line Leveraged Growth Inv/Value Line	12.8	1.5	1.1	261	-7	none	0.90

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
F	D	Value Line Special Situations/Value Line	4.2%	-3.2%	0.4%	$89	-22%	none	$1.04
		Van Kampen Merritt Grow & Inc/Van Kampen	—*	11.4	1.0	28	12	4.90%	*1.84*
		Vanguard Equity Income Fund/Vanguard	—*	15.0	5.2	697	47	none	0.45
D	D	Vanguard Explorer Fund/Vanguard	8.3	15.9	0.7	458	41	none	0.65
		Vanguard Gemini II Capital[1]/closed-end	—*	21.1	6.0	298	10	none	0.41
		Vanguard Gemini II Income							
		Vanguard Index-Extended Mkt/Vanguard	—*	15.9	1.6	446	75	‡[2]	0.19
A	C	Vanguard Index-500 Portfolio/Vanguard	13.7	13.2	3.2	5,348	76	—[2]	0.20
B	C	Vanguard/Morgan Growth/Vanguard	12.7	8.3	2.4	962	8	none	0.46
		Vanguard Primecap Fund/Vanguard	—*	6.9	1.0	558	43	none	0.68
		Vanguard Quantitative Portfolios/Vanguard	—*	12.1	2.9	361	33	none	0.43
D	D	Vanguard Small Cap Stock/Vanguard	7.7	15.0	1.5	193	99	‡[2]	0.20
		Vanguard Special-Energy/Vanguard	—*	-1.1	3.3	151	12	none§	0.30
		Vanguard Special-Health Care/Vanguard	—*	12.1	1.6	567	62	none§	0.30
		Vanguard Special-Technology/Vanguard	—*	11.6	1.4	33	53	none§	0.36
C	B	Vanguard Trustees Comm-US/Vanguard	12.6	10.5	2.7	100	-9	none	0.44
B	A	Vanguard Windsor Fund/Vanguard	16.9	17.8	4.5	8,443	10	†	0.28
		Vanguard Windsor II/Vanguard	—*	15.1	4.0	4,468	53	none	0.48
		Vista Capital Growth Fund/Vista	—*	34.1	0.1	32	410	4.50	*1.50a*
		Vista Growth & Income/Vista	—*	19.7	1.1	98	224	4.50	*1.50*
		Vontobel US Value Fund/Newport	—*	14.5	0.5	26	118	5.00	1.99
B	A	Washington Mutual Investors/American Funds	16.6	13.2	3.5	8,961	32	5.75	*0.73*
		Weitz Series Fund-Value/Weitz Secs	—*	16.1	2.7	39	37	none	1.40
		Westcore-Basic Value Fund/Westcore	—*	12.8	2.8	104	5	4.50	0.88a
		Westcore-Equity Income Fund/Westcore	—*	16.3	4.2	25	30	4.50	0.92a
		Westcore-MIDCO Growth/Westcore	—*	12.6	2.3	172	35	4.50	0.77a
		Westcore-Modern Value Equity/Westcore	—*	11.1	2.8	29	12	4.50	0.88a
A	F	Winthrop Focus Funds-Aggressive[3]/Wood	9.7	24.7	0.2	34	27	4.00b	*1.89a*
D	D	Winthrop Focus Funds-Growth[4]/Wood	7.6	9.6	0.8	48	1	4.00b	*1.26*
D	C	Winthrop Focus Funds-Grow & Inc[5]/Wood	10.4	10.4	1.9	45	-4	4.00b	*1.35a*
B	C	WPG Growth & Income Fund/Weiss	11.9	16.0	1.2	46	34	none	1.33
		WPG Growth Fund/Weiss	—*	11.7	0.0	160	6	none	0.94
A	C	WPG Tudor Fund/Weiss	15.0	14.0	1.0	256	20	none	1.21
		Zweig Fund/closed-end	—*	12.0	7.2	488	16	NA	1.28
		Zweig Series-Priority Select-A[6]/Zweig	—*	3.3	1.0	57	26	5.50	*1.87*
		Zweig Series-Strategy Fund-A/Zweig	—*	9.8	1.7	350	1	5.50	*1.58*

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Closed-end stock funds

Closed-end stock funds, the ones with a fixed number of shares outstanding, have been doing well recently. The ones followed by Lipper Analytical Services returned an average 15% in the past year, against 13% for the S&P 500 Index.

Does that mean you should load up on closed-end funds? Not necessarily. Keep an eye on the relationship between a fund's net asset value and its share price. Other things being equal, you want to get a closed-end at a nice discount to the value of its portfolio. On this score, closed-ends today are much less of a bargain than they were a couple of years ago.

If you knew that the bull market were going to continue, many closed-end funds would be attractive today. That's because discounts tend to narrow in bull markets. If you buy closed-end shares at a fat discount and then sell them when the discount has shrunk, you will do better than someone owning a comparable open-end fund.

But what if the market weakens? Then the fund selling at a tempting discount today could well sink to a fatter discount later. You would be worse off than someone buying the open-end fund.

Example: At the start of this year, the Thai Capital Fund traded on the New York Stock Exchange at a seemingly attractive 5% discount. But now, after a bout of political chaos in Thailand, shares of the fund trade at 17% below their net asset value.

Another way that an apparent bargain can turn into a less than stellar investment is if the fund has high management fees and expenses, chewing up investment gains. If expense ratios shoot up in your open-end fund, you can take your money and leave. When it happens in a closed-end, you are, to a degree, stuck. You can unload the shares on the stock exchange, but they are likely to fetch a disappointing price that reflects the overhead burden.

The table shows equity funds trading at good discounts in comparison to their expense ratios. Not shown: closed-end bond funds, most of which are trading at meager discounts or even at premiums to their asset values. Avoid them. —ERIC HARDY

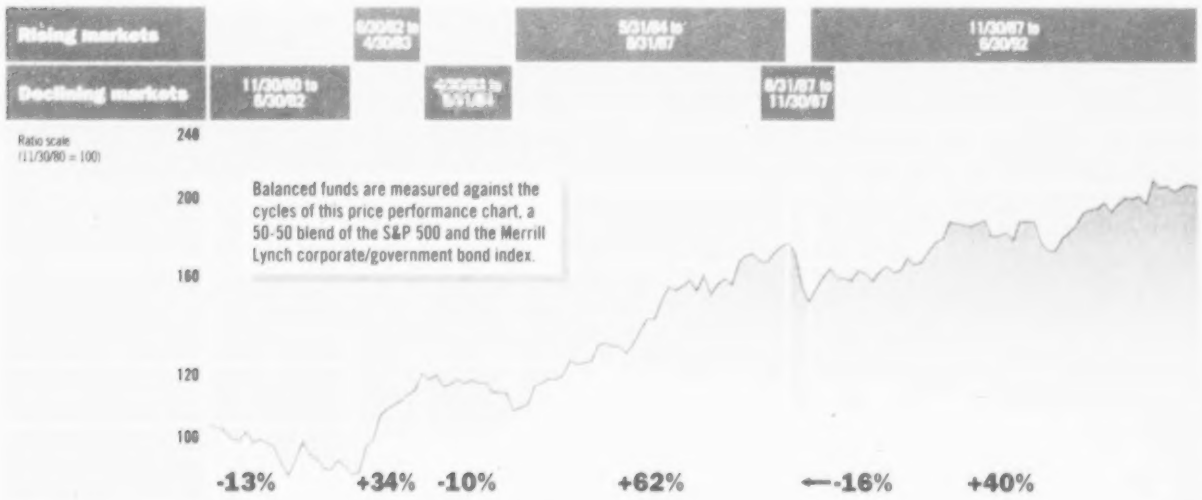
Fund	12-month return*	Recent price	Discount	Annual expenses per $100	Relative discount†
Baker, Fentress	10.3%	18¾	-16.0%	$0.84	20.7
American Capital Convertible	15.1	19¼	-13.3	0.89	16.0
New Germany Fund	3.6	11¼	-15.4	1.05	15.9
Counsellors Tandem Securities	14.4	13⅜	-16.0	1.30	13.3
Growth Fund of Spain	4.1	8⅝	-15.1	1.23	13.2
Castle Convertible	17.2	22	-12.7	1.09	12.4
First Philippine Fund	43.2	11⅝	-21.0	1.95	12.0
Bancroft Convertible	17.2	20	-12.6	1.20	11.2
First Financial Fund	77.0	11¾	-12.4	1.23	10.7
Ellsworth Convertible	16.9	8¼	-12.0	1.20	10.6
Future Germany Fund	23.4	13⅜	-11.9	1.21	10.5
Alliance Global Environment	-7.9	9¾	-14.1	1.59	9.5
GT Greater European	2.5	9½	-15.9	1.93	8.9
Irish Investment Fund	12.5	7⅞	-15.0	1.81	8.9
First Iberian Fund	8.2	7	-17.0	2.11	8.7
France Growth Fund	26.6	9⅝	-16.8	2.14	8.5
Inefficient Market	7.5	9⅝	-11.3	1.40	8.5
Vanguard Gemini II[2]	21.0	27⅜	-3.4	0.41	8.4
Quest For Value Dual[2]	27.0	36	-6.0	0.75	8.2
Emerging Germany Fund	12.1	7¾	-13.1	1.70	8.2
Austria Fund	-7.3	7¾	-12.8	1.83	7.4
Thai Capital Fund	4.6	7⅞	-17.1	2.51	7.4
Portugal Fund	15.4	10¼	-13.4	1.96	7.3
Malaysia Fund	3.6	13½	-11.5	1.70	7.1
Worldwide Value Fund	6.3	13⅜	-14.3	2.15	7.1

Prices and discounts as of July 31. *Closed-end returns based on NAV, not price. †Number of years after which expenses, continuing at current rates, would dissipate the benefit of buying the fund at its current discount and having it liquidated at full net asset value. [2]Dual fund, with capital and income shares treated as a unit. Due to be liquidated in 1997.

Balanced funds

Balanced funds buy convertible bonds or mix stocks with bonds. This category also includes funds that call themselves "asset allocators." Although they do not perform as well as stock funds in a strong market, balanced funds hold up better in a down or sideways market. In fact, over the last 12 months, the average balanced fund in this survey had a total return of 14.9%, versus 14% for stock funds.

The benchmark used to determine market cycles and grade balanced funds is a hybrid of the S&P 500 index and the Merrill Lynch corporate/government bond index. To appear below, a balanced fund must have at least $25 million of assets and a full year of performance history; to be graded, a fund must have been around for at least two market cycles, that is, since April 1983.



Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Blended stock and bond market index	13.8%	14.0%	4.2%				
		Forbes balanced fund composite	13.0%	14.9%	4.2%				$1.24
		Advantage Income Fund/Advest	—*	14.6%	4.7%	$51	17%	4.00%b	*$2.05*
C	B	Alliance Balanced Shares-A/Alliance	13.3%	10.3	3.5	149	-1	5.50	*1.42*
B	B	American Balanced Fund/American Funds	14.2	15.0	5.2	822	72	5.75	*0.82*
D	B	American Capital Convert Secs/closed-end	13.0	15.1	6.0	71	8	NA	0.89
C	B	American Capital Equity Income-A/American Cap	14.4	16.5	4.5	108	18	5.75	*1.02*
C	D	American Capital Harbor Fund-A/American Cap	11.7	14.0	6.3	381	10	5.75	*0.91*
A	D	Axe-Houghton Fund B/USF&G	12.3	12.9	5.5	174	5	5.75	*1.10*
F	D	Bancroft Convertible Fund/closed-end	9.5	17.2	6.0	58	10	NA	1.20
		Boston Co Asset Allocation/Boston Co	—*	12.9	2.3	28	76	none	*1.45*
■C	■D	Calvert Social Inv–Managed Growth/Calvert	—*	8.9	5.9	389	27	4.75	*1.29*

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. §Distributor may impose redemption fee, with proceeds reverting to other fund shareholders. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Blended stock and bond market index	13.8%	14.0%	4.2%				
		Forbes balanced fund composite	13.0%	14.9%	4.2%				$1.24
		Carillon Inv Trust–Capital/Carillon	—*	13.6%	3.7%	$29	18%	5.00%	$1.09
D	A	Castle Convertible Fund/closed-end	12.0%	17.2	7.0	54	9	NA	1.09
A+	D	CGM Mutual Fund/TNE	15.9	17.6	3.8	475	51	none	0.93
A	D	Colonial Fund-A/Colonial	13.2	15.1	2.7	404	18	5.75	*1.07*
D	D	Colonial Strategic Income-A/Colonial	9.4	20.5	9.5	442	6	4.75	1.12
D	■B	Colonial Utilities Fund-A/Colonial	—*	23.0	6.6	181	21	4.75	*1.11*
C	C	Commonwealth Inv–Balanced/Trusteed	11.0	11.2	3.3	45	2	7.50	0.98
D	B	Composite Bond & Stock Fund/Murphey	11.7	11.4	4.8	87	32	4.00	*1.18*
		Connecticut Mutual–Total Ret/Phelps	—*	17.2	3.6	94	29	5.00	1.14
		Convertible Securities & Income/Federated	—*	16.8	6.4	26	19	4.50	*1.05a*
		Convertible Holdings–Capital[1]/closed-end	—*	16.4	6.9	281	7	none	0.83
		Convertible Holdings–Income							
		Dean Witter Convertible Secs/Dean Witter	—*	10.4	2.9	236	-25	5.00b	*1.96*
		Dean Witter Managed Assets/Dean Witter	—*	12.2	3.0	222	4	5.00b	*1.70*
		Dean Witter Strategist/Dean Witter	—*	14.0	1.7	410	86	5.00b	*1.59*
		Delaware Group Delaware Fund/Delaware	—*	14.6	3.9	456	10	5.75	*0.74*
B	C	Dodge & Cox Balanced Fund/Dodge & Cox	13.6	13.3	4.3	221	74	none	0.65
D	C	Dreyfus Convertible Securities/Dreyfus	11.3	16.2	3.3	219	4	none	1.07
		Duff & Phelps Utilities Income/closed-end	—*	20.8	8.3	1,339	13	NA	1.07
C	C	Eaton Vance Investors Fund/Eaton Vance	12.4	14.5	4.9	208	5	4.75	*0.86*
		Ellsworth Convert Growth & Inc/closed-end	—*	16.9	5.6	56	10	NA	1.20
		Equitable Funds–Balanced-A/Equitable	—*	17.1	1.0	40	67	5.25	*1.40a*
		Evergreen Foundation Fund/Lieber	—*	28.8	1.7	28	539	none	1.20a
D	A	Federated Stock & Bond Fund/Federated	12.9	11.5	4.3	93	8	none	1.03a
		Fidelity Advisor Inc & Growth[2]/Fidelity	—*	17.9	3.3	271	195	4.75	*1.55*
		Fidelity Asset Manager/Fidelity	—*	14.7	3.4	2,132	298	none	1.21
		Fidelity Balanced Fund/Fidelity	—*	14.8	4.8	1,232	195	none	0.92
		Fidelity Convertible Securities/Fidelity	—*	26.6	4.4	273	216	none	1.17
A	B	Fidelity Puritan Fund/Fidelity	15.7	17.3	5.3	5,397	13	2.00	0.65
		First Investors Total Return/First Inv	—*	7.5	2.5	64	26	6.90	*1.63a*
		Fortis Advantage–Asset Allocation[3]/Fortis	—*	15.2	5.0	85	239	4.50	*1.72*
C	A	Franklin Income Fund/Franklin	13.8	27.6	9.3	2,212	46	4.00	0.54
		Fremont Multi Asset Fund/Fremont	—*	11.4	4.6	92	38	none	1.11
		FundTrust–Growth & Income/Signature	—*	13.1	2.4	36	31	1.50	*1.60a*

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Rules, page 122. Distributor table, page 194.

BALANCED FUNDS

FUND SURVEY

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Blended stock and bond market index	13.8%	14.0%	4.2%				
		Forbes balanced fund composite	13.0%	14.9%	4.2%				$1.24
		Gabelli Convertible Secs/Gabelli	—*	10.3%	6.1%	$87	-11%	4.50%	$1.45
		John Hancock Asset Allocation/Hancock	—*	11.0	1.4	32	24	5.00	*2.15*
B	B	IDS Mutual/IDS	13.6%	14.6	4.9	2,104	18	5.00	0.76
B	A+	Income Fund of America/American Funds	15.9	18.2	6.3	4,788	80	5.75	*0.67*
		Kemper Invest-Total Return/Kemper	—*	17.0	2.6	931	61	3.00b	*2.11*
		Kemper Retirement Fund I/Kemper	—*	16.9	3.7	116	7	†	0.95
		Kemper Retirement Fund II/Kemper	—*	18.1	2.0	188	139	†	0.95
A+	F	Kemper Total Return Fund/Kemper	12.0	14.1	3.3	1,144	27	5.75	1.03
C	C	Keystone Custodian K-1/Keystone	12.0	11.9	4.7	1,182	31	4.00b	*1.94*
		Lincoln National Convert Secs/closed-end	—*	22.3	5.6	115	15	NA	0.89
		Lord Abbett Equity-1990/Lord Abbett	—*	19.4	2.9	58	-15	†	*1.80a*
		Mackenzie No Amer Total Return/Mackenzie	—*	11.6	5.7	44	-21	5.75	*1.91*
		MainStay-Convertible Fund/NYLife	—*	25.6	2.5	28	52	5.00b	*2.31*
		MainStay-Total Return Fund/NYLife	—*	13.6	1.7	265	185	5.00b	*1.97*
		Merrill Lynch Bal Inv & Retire-A/ML Funds	—*	13.9	3.7	929	-9	6.50	0.86
■B	■C	Merrill Lynch Phoenix Fund-A/ML Funds	—*	16.8	0.8	241	17	6.50	1.42
		Merriman Asset Allocation/Merriman	—*	4.5	2.9	27	-1	none	*1.52a*
		MetLife-State Street Mngd Assets/State St	—*	13.7	4.4	88	39	4.50	*1.25a*
A	C	MFS Total Return Fund/MFS	14.5	14.6	5.4	1,113	34	4.75	*0.84*
		Mimlic Asset Allocation Fund/Mimlic	—*	13.7	3.2	32	132	5.00	*1.35a*
D	A	Mutual of Omaha Income/Mutual of Omaha	11.8	12.3	6.5	219	25	4.75	*1.04*
B	B	National Income & Growth-A[1]/National Secs	15.4	19.2	4.8	368	41	5.75	*1.38*
B	D	National Total Return Fund/National Secs	13.2	14.0	3.0	262	4	5.75	*1.35*
		NA Security-Asset Allocation/Wood Logan	—*	15.8	0.8	42	28	4.00	*1.99a*
		Oppenheimer Asset Allocation/Oppenheimer	—*	11.7	3.3	267	91	5.75	*1.27*
		Overland Express Asset Allocation/Overland	—*	14.1	6.2	41	20	4.50	*1.25a*
		Pacifica Balanced Fund/Furman Selz	—*	12.2	4.0	61	42	4.50	*1.05a*
		PaineWebber Asset Allocation-A/PaineWebber	—*	10.2	3.4	321	-13	4.50	*1.25*
		Pasadena Balanced Return/Pasadena	—*	15.8	1.4	29	257	5.50	2.50
B	C	Pax World Fund/Pax World	12.5	6.6	5.3	368	106	none	*1.10*
■D	■C	Permanent Port-Permanent/Permanent	—*	3.0	6.1	67	-12	—[2]	*1.27*
A	■D	Phoenix Balanced Fund/Phoenix	—*	12.5	3.8	1,728	147	4.75	*1.02*
C	A	Phoenix Convertible Fund/Phoenix	14.3	11.5	4.3	187	18	4.75	*1.26*
		T Rowe Price Balanced/Price	—*	13.1	4.1	68	431	none	1.00a

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Rules, page 122. Distributor table, page 194.

BALANCED FUNDS

FUND SURVEY

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Blended stock and bond market index	13.8%	14.0%	4.2%				
		Forbes balanced fund composite	13.0%	14.9%	4.2%				$1.24
		Princor Managed Fund/Princor	—*	17.5%	3.5%	$27	25%	5.00%	*$1.25*
D	C	ProvidentMutual Total Return/Provident	11.4%	10.8	3.0	72	12	6.00	*1.60*
		Prudential IncomeVertible + -A/Prudential	—*	9.2	6.8	365	-13	5.25	*1.30*
C	D	Putnam Convert Income-Growth/Putnam	12.2	20.2	5.7	574	3	5.75	*1.15*
		Putnam Dividend Income Fund/closed-end	—*	24.0	10.4	196	7	NA	2.02
A	D	George Putnam Fund of Boston-A/Putnam	13.9	12.9	4.9	605	30	5.75	*0.94*
		Quest for Value–Opportunity/Quest	—*	26.1	0.2	28	378	5.50	*2.35a*
■C	■C	Rea-Graham Balanced Fund/Rea	—*	8.3	5.0	27	-18	4.75	*2.06*
D	A	Seligman Income Fund/Seligman	12.8	24.2	7.3	177	29	4.75	0.89
B	B	Sentinel Balanced Fund/Equity	14.6	14.0	5.1	109	31	8.50	0.79
		Shearson Income–Convertible/Shearson	—*	17.0	4.8	60	-8	5.00b	*1.90*
		Shearson Income–Utilities/Shearson	—*	16.0	5.9	1,557	89	5.00b	*1.58*
		Shearson Principal Return–1996/Shearson	—*	14.2	5.8	112	-5	†	0.83
		Shearson Principal Return–1998/Shearson	—*	8.1	5.1	175	-16	†	*1.05*
		Stagecoach Asset Allocation/Stagecoach	—*	15.1	2.6	424	44	4.50	0.96a
C	F	SteinRoe Total Return Fund/Stein Roe	10.1	14.6	5.1	166	18	none	0.84
F	■A	Strong Investment Fund/Strong	—*	12.7	4.5	208	1	1.00	1.20
D	■B	Strong Total Return Fund/Strong	—*	16.1	0.8	608	-3	1.00	1.30
		SunAmerica Balanced Assets/SunAmerica	—*	7.4	2.1	83	-8	5.00b	*1.92a*
		SunAmerica Multi-Asset–Tot Ret/SunAmerica	—*	9.7	2.8	27	-9	5.75	*1.85*
		TCW Convertible Securities Fund/closed-end	—*	13.4	5.6	173	6	NA	0.94
		TNE Balanced Fund/TNE	—*	15.5	2.7	77	30	6.50	*1.53*
		Thomson–Equity Income-A/Thomson	—*	18.8	3.9	37	67	5.50	*1.35*
C	B	Transamerica Growth & Income-A/Transamerica	12.5	16.1	2.0	106	49	4.75	*1.38*
		20th Century Balanced Inv/20th Century	—*	17.3	2.2	561	333	—†	1.00a
B	D	United Continental Income Fund/Waddell	13.9	16.5	3.8	347	13	8.50	0.80
B	C	United Retirement Shares/Waddell	13.2	17.7	3.0	259	33	8.50	0.85
		USAA Investment–Balanced/USAA	—*	10.9	4.2	73	56	none	1.00a
		Vanguard Asset Allocation/Vanguard	—*	14.4	4.5	433	97	none	0.42
		Vanguard Convertible Securities/Vanguard	—*	21.4	5.0	77	50	none	0.86
		Vanguard STAR Fund/Vanguard	—*	14.4	4.9	2,027	60	none	0.39
C	A+	Vanguard Wellesley Income Fund/Vanguard	14.7	16.1	7.1	2,392	79	none	0.40
B	C	Vanguard Wellington Fund/Vanguard	14.0	13.8	5.1	4,677	55	none	0.37
		Westcore–Balanced Investment/Westcore	—*	12.4	4.3	40	138	4.50	1.00a

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Rules, page 122. Distributor table, page 194.

Global stock funds

Unlike foreign stock funds *(see p. 160)*, which invest almost exclusively in non U.S. equities, global funds mix foreign securities with U.S. securities. The value of the latter strategy was evident during the last 12 months. While the dollar-denominated Morgan Stanley Capital International Perspective index for Europe, Australia and the Far East was off 2.5%, the S&P 500 was up 10%. Over the last 12 months the average foreign stock fund in this survey had a total return of 8.5%. But thanks to its greater degree of international diversity, the average global stock fund had a 9.7% gain during this time span.

Our benchmark for measuring the performance of global funds is a 50-50 mix of the Morgan Stanley index and the S&P 500. To be rated, a fund must have been in existence since Aug. 31, 1987, the starting date for the last two market cycles of our benchmark.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 3/84 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Blended domestic and foreign stock index	16.5%	6.4%	2.3%				
		Forbes global fund composite	10.9%	9.7%	2.2%				$1.71
		Alliance Global Environment Fund/closed-end	—*	-7.9%	0.8%	$82	-9%	NA	$1.59
■C	■B	Bailard Biehl & Kaiser Diversa/Bailard	—*	5.2	3.3	50	-22	none	1.66
		Benham Gold Equities Index/Benham	—*	-8.6	0.2	146	10	none	0.75
■C	■A	Blanchard Global Growth[1]/Sheffield	—*	6.7	3.2	123	-32	—[2]	*2.31*
D	D	Bull & Bear Gold Investors/Bull & Bear	-0.3%	-6.6	0.4	26	-22	none	*2.85*
■B	■D	Clemente Global Growth Fund/closed-end	—*	3.4	none	63	0	NA	2.71
■D	■C	Colonial Natural Resources-A[3]/Colonial	—*	-7.3	0.4	36	-32	5.75%	*2.03*
C	C	Dean Witter World Wide Inv/Dean Witter	11.7	12.1	0.2	258	-1	5.00b	*2.27*
■B	■A	Dreyfus Strategic World Inv/Dreyfus	—*	11.5	none	85	143	3.00	*1.62a*
■D	■A	Fidelity Select-American Gold/Fidelity	—*	-5.7	none	168	-11	3.00	1.75
		Fidelity Worldwide Fund/Fidelity	—*	16.3	1.0	126	29	3.00	1.62
B	D	First Investors Global Fund/First Inv	12.3	7.5	none	203	-6	6.90	*1.95*
		Founders Worldwide Growth/Founders	—*	21.8	2.3	34	253	none	*1.90*
■B	■F	Freedom Inv II-Global-A/Hancock	—*	9.8	none	27	-6	4.50	*1.83*
		GT Global Growth-Growth & Inc/GT Global	—*	14.9	5.1	124	126	4.75	*1.85a*
■A	■C	GT Global Growth-Worldwide/GT Global	—*	10.8	1.0	147	38	4.75	*2.00*
		GT Global Health Care/GT Global	—*	7.2	none	671	82	4.75	*1.95*
■C	■D	John Hancock Global/Hancock	—*	12.6	0.0	70	-10	5.00	*2.14*
		IDS Global Growth Fund/IDS	—*	13.5	0.6	61	84	5.00	*1.75*
		Janus Worldwide Fund/Janus	—*	25.8	0.0	107	NM	none	1.96a
■B	■C	Lexington Global Fund/Lexington	—*	6.1	0.7	56	7	none	1.57
D	B	Lexington Goldfund/Lexington	2.0	-10.2	0.9	93	-13	none	*1.68*
		Lord Abbett Global-Equity/Lord Abbett	—*	8.2	1.1	34	-1	5.75	*1.61*
		Merrill Lynch Global Allocation-A/ML Funds	—*	19.7	8.5	493	157	6.50	1.11
		Merrill Lynch Global Utility-A/ML Funds	—*	18.3	4.8	144	66	6.50	1.28
C	C	Merrill Lynch Healthcare-A[4]/ML Funds	10.2	15.8	32.4	76	15	6.50	1.95
C	■B	Merrill Lynch Intl Holdings-A/ML Funds	—*	12.2	1.0	197	-1	6.50	1.48
C	C	Merrill Lynch Technology-A[4]/ML Funds	10.8	21.7	30.5	76	15	6.50	1.97

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 3/84 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Blended domestic and foreign stock index	16.5%	6.4%	2.3%				
		Forbes global fund composite	10.9%	9.7%	2.2%				$1.71
■C	■B	MFS Lifetime Worldwide Equity/MFS	*	4.0%	none	$95	-8%	6.00%b	*$2.88*
		MFS Worldwide Total Return/MFS	*	20.6	2.9%	42	53	4.75	*1.90*
		National Global Allocation/National Secs	*	7.6	0.6	43	32	5.75	*2.12*
		National WorldWide Oppors/National Secs	*	5.4	0.1	63	6	5.75	*1.99a*
C	A	New Perspective Fund/American Funds	15.4%	18.1	1.9	2,920	53	5.75	*0.86*
		Oppenheimer Global Bio-Tech/Oppenheimer	*	18.8	0.0	141	109	†	*1.50*
		Oppenheimer Global Environment/Oppenheimer	*	4.4	0.2	56	-10	5.75	*1.61*
A	B	Oppenheimer Global Fund/Oppenheimer	15.4	13.5	0.3	1,260	38	5.75	*1.35*
		Oppenheimer Global Growth & Inc/Oppenheimer	*	10.2	2.5	44	75	5.75	*1.94*
D	C	Oppenheimer Gold & Spec Mins/Oppenheimer	7.0	5.0	1.7	134	-11	5.75	*1.35*
B	■C	PaineWebber Atlas Global Growth-A/PaineWebber	*	3.7	1.5	178	14	4.50	*1.58*
		PaineWebber Global Energy Fund-A/PaineWebber	*	7.6	1.2	43	-21	4.50	*1.83*
		PaineWebber Global Growth & Inc-A/PaineWebber	*	12.1	4.0	73	14	4.50	*1.95*
		Princor World Fund/Princor	*	18.8	1.1	37	82	5.00	*1.59*
C	■D	Prudential Global Fund-A/Prudential	*	6.1	none	218	15	5.25	*1.64*
		Prudential Global Genesis-A/Prudential	*	6.6	none	38	-9	5.25	*1.52a*
A	C	Putnam Global Growth-A/Putnam	16.4	10.7	1.5	675	12	5.75	*1.52*
		Quest for Value Global Equity/Quest	*	15.3	none	125	127	5.50	*1.76*
■A	■C	Scudder Global Fund/Scudder	*	14.3	1.6	371	38	none	1.62
		Scudder Gold Fund/Scudder	*	6.9	none	31	6	none	2.49a
C	■D	Shearson Global Oppors/Shearson	*	2.6	none	50	15	5.00	1.60
■F	■B	Shearson Invest-Precious Metals/Shearson	*	-10.2	none	36	-28	5.00b	*2.50*
		Smallcap World Fund/American Funds	*	13.4	0.6	1,307	72	†	*1.31*
■A	■A	Templeton Emerging Markets/closed-end	*	53.0	0.4	252	37	NA	1.85
		Templeton Global Oppors/Templeton	*	24.1	1.4	236	32	5.75	*1.76*
		Templeton Global Utilities/closed-end	*	24.3	4.6	40	19	NA	1.45
B	B	Templeton Growth Fund/Templeton	14.9	19.8	2.7	3,332	24	5.75	0.96
■C	■A	Templeton Income Fund/Templeton	*	17.5	8.0	161	30	4.50	1.05
		Templeton Real Estate Secs/Templeton	*	13.9	4.4	38	17	5.75	1.73
B	D	Templeton Smaller Cos Growth/Templeton	12.7	16.0	1.9	983	16	5.75	1.22
		Templeton Value Fund/Templeton	*	10.4	0.8	125	-12	5.75	1.43
C	C	Templeton World Fund/Templeton	13.3	17.2	2.9	4,226	6	5.75	0.93
■B	■D	Thomson-Global-A/Thomson	*	7.0	none	29	-15	5.50	*1.65*
D	■C	United Services-Global Resources/United	*	4.3	1.2	25	-10	none	*2.33*
■D	■D	United Services-World Gold/United	*	5.4	none	60	-9	none	2.20
■C	■B	USAA Investment-Cornerstone/USAA	*	10.9	3.0	571	0	none	1.19
■D	■C	Van Eck Gold/Resources Fund/Van Eck	*	1.1	0.3	127	-20	6.75	*1.62*
■D	■B	Van Eck World Trends Fund/Van Eck	*	8.6	0.5	37	-21	5.75	*1.67*
■C	■C	Vanguard World-Intl Growth[1]/Vanguard	*	5.4	1.8	930	13	none	0.61
■A	■B	Vanguard World-US Growth[1]/Vanguard	*	16.2	1.3	1,287	98	none	0.52
■C	■D	Worldwide Value Fund/closed-end	*	6.3	1.3	50	5	NA	2.15
		Yamaichi Global Fund/Yamaichi	*	3.4	0.5	53	-10	4.75	1.94

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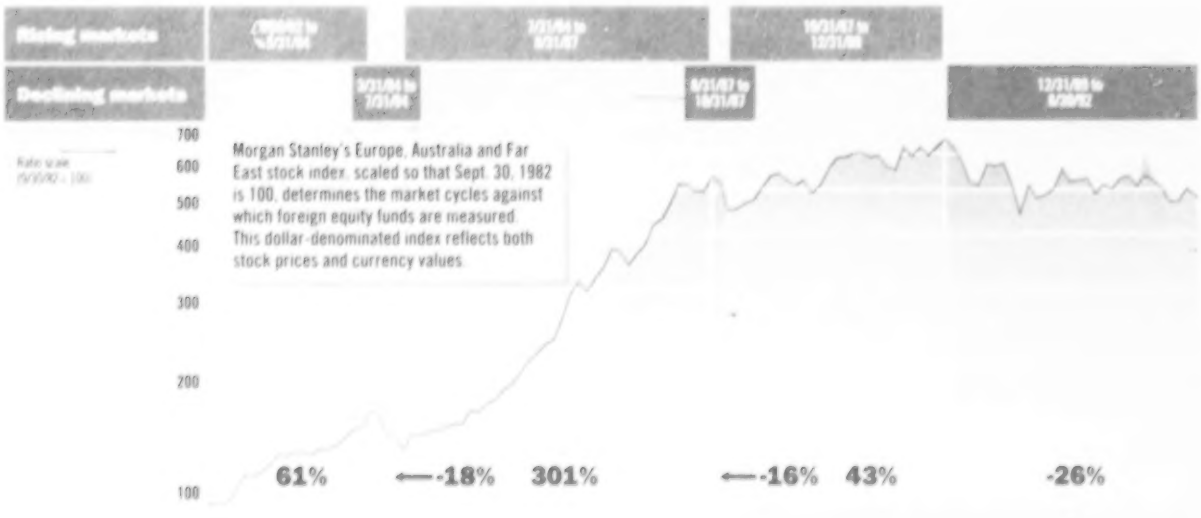
Rules, page 122. Distributor table, page 194.

Foreign stock funds

The benchmark for measuring foreign stock funds is the dollar-denominated index from Morgan Stanley Capital International Perspective that tracks the price performance of over 1,000 stocks in Europe, Australia and the Far East. Many of these foreign markets declined during the 12 months ended in June. Measured in local currencies, the Morgan Stanley index was off 13.3%. But the dollar was also weak during this period—for example, it fell 15.7% against the German mark and 8.5% against the yen—and this worked to the advantage of U.S. investors. The dollar-denominated Morgan Stanley index shows a 12-month loss of only 2.5%. To be listed below, a fund must be based in the U.S., have at least $25 million in assets and have at least a full year of performance history.



Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 9/82 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	19.3%	-0.7%	1.9%				
		Forbes foreign stock fund composite	14.1%	8.5%	1.4%				$1.72
B	C	Alliance International Fund-A/Alliance	17.5%	7.5%	0.5%	$186	-15%	5.50%	*$1.82*
		Alliance New Europe Fund-A/Alliance	—*	23.4	0.2	104	-19	5.50	*2.24*
D	D	ASA Limited/closed-end	4.4	-4.7	5.9	405	-10	NA	0.66
		Asia Pacific Fund/closed-end	—*	29.7	0.8	134	13	NA	1.92
		Austria Fund/closed-end	—*	-7.3	none	81	-9	NA	1.83
		Axe Core International ADR/USF&G	—*	-0.4	0.5	26	-2	†	*1.79*
		Bartlett Capital-Value Intl/Bartlett	—*	23.9	2.2	25	22	none	2.00
		Brazil Fund/closed-end	—*	3.2	none	173	2	NA	2.15
		Chile Fund/closed-end	—*	54.6	1.0	218	40	NA	1.75
		CoreFund-International Growth/Fairfield	—*	4.8	none	42	106	none	0.91a

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 9/82 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	19.3%	-0.7%	1.9%				
		Forbes foreign stock fund composite	14.1%	8.5%	1.4%				$1.72
		Counsellors International Equity/Counsellors	—*	9.0%	2.4%	$121	110%	none	$1.50a
		Dean Witter European Growth/Dean Witter	—*	18.0	0.3	338	17	5.00%b	*2.43*
		Dean Witter Pacific Growth/Dean Witter	—*	10.1	0.1	146	139	5.00b	*2.84*
		Emerging Germany Fund/closed-end	—*	12.2	2.4	132	9	NA	1.70
		Emerging Mexico Fund/closed-end	—*	32.9	1.6	119	39	NA	1.78
■C	■C	EuroPacific Growth Fund/American Funds	—*	17.7	1.6	2,266	78	5.75	*1.24*
		Europe Fund/closed-end	—*	17.1	2.8	110	9	NA	1.56
		European Growth/USF&G	—*	18.0	1.4	27	14	†	*2.06*
		Fidelity Europe Fund/Fidelity	—*	20.9	3.0	443	54	3.00	1.27
		Fidelity Intl Growth & Income/Fidelity	—*	10.9	1.2	66	78	2.00	1.77
		Fidelity Overseas Fund/Fidelity	—*	16.4	1.7	971	7	3.00	1.53
		Fidelity Pacific Basin Fund/Fidelity	—*	-4.7	none	116	16	3.00	1.98
D	D	Fidelity Select-Prec Metals & Mins/Fidelity	3.2%	-11.0	1.1	138	-26	3.00	1.81
		Financial Series-Intl Growth/Invesco	—*	-4.2	1.3	36	-9	none	1.48
		Financial Strategic-European/Invesco	—*	18.6	1.9	146	125	none	1.46
■A	D	Financial Strategic-Pacific Basin/Invesco	—*	-9.1	0.9	28	39	none	1.90
		First Australia Fund/closed-end	—*	11.9	2.5	63	9	NA	2.07
		First Iberian Fund/closed-end	—*	8.2	1.6	60	6	NA	2.11
		First Philippine Fund/closed-end	—*	43.1	1.3	105	13	NA	1.95
		Flag Investors International Trust/Brown	—*	0.4	0.6	27	-33	4.50	*1.50a*
		France Growth Fund/closed-end	—*	26.6	1.1	111	1	NA	2.14
C	C	Franklin Gold Fund/Franklin	8.5	-3.5	3.2	257	-11	4.00	0.40a
		Future Germany Fund/closed-end	—*	23.4	0.1	192	20	NA	1.21
		GAM International Fund/GAM	—*	24.6	2.8	41	17	5.00	2.11
		GAM Pacific Basin Fund/GAM	—*	5.7	0.7	30	14	5.00	2.29
		Germany Fund/closed-end	—*	22.3	0.3	158	20	NA	1.39
		Growth Fund of Spain/closed-end	—*	4.1	1.4	193	2	NA	1.23
		GT Global Growth-Europe/GT Global	—*	5.4	1.4	1,057	-21	4.75	*1.80*
		GT Global Growth-International/GT Global	—*	6.5	1.2	489	13	4.75	*1.90*
		GT Global Growth-Japan/GT Global	—*	-30.4	none	84	17	4.75	*2.20*
B	B	GT Global Growth-Pacific/GT Global	19.3	0.7	0.7	332	4	4.75	*2.00*
		GT Greater Europe Fund/closed-end	—*	2.5	0.2	183	1	NA	1.93
		Harbor International/HCA	—*	13.7	1.1	614	408	none	1.23
		IAI International Fund/IAI Funds	—*	13.9	1.1	37	14	none	*2.00*

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Rules, page 122. Distributor table, page 194.

FOREIGN STOCK FUNDS

FUND SURVEY

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 9/82 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	19.3%	-0.7%	1.9%				
		Forbes foreign stock fund composite	14.1%	8.5%	1.4%				$1.72
		IDS International Fund/IDS	—*	8.1%	0.6%	$231	5%	5.00%	*$1.45*
		IDS Precious Metals Fund/IDS	—*	-5.7	1.4	53	-26	5.00	*1.75*
		IDS Strategy-Worldwide Growth/IDS	—*	6.5	0.5	43	10	5.00b	*3.03*
		India Growth Fund/closed-end	—*	53.0	0.2	151	113	NA	1.80
		Indonesia Fund/closed-end	—*	-4.7	0.6	42	-5	NA	2.00
		International Equity/Federated	—*	9.4	0.9	118	36	4.50	1.52a
		Irish Investment Fund/closed-end	—*	12.5	4.4	48	8	NA	1.81
		Italy Fund/closed-end	—*	-10.2	2.6	61	-15	NA	1.58
		Ivy International Fund/Ivy	—*	15.9	1.2	118	51	5.75	*1.70*
		Jakarta Growth Fund/closed-end	—*	-8.8	0.7	36	-10	NA	2.15
B	D	Japan Fund/Scudder	17.7%	20.2	none	361	3	none	1.26
		Japan OTC Equity/closed-end	—*	35.7	2.4	68	37	NA	1.51
C	B	Kemper International Fund/Kemper	17.1	4.1	none	172	-9	5.75	1.42
C	C	Keystone International Fund/Keystone	12.0	13.0	3.8	67	-6	4.00b	*3.44*
D	C	Keystone Precious Metals/Keystone	4.6	1.3	0.7	128	-16	4.00b	*2.70*
C	C	Kleinwort Benson Intl Equity/Kleinwort	17.6	5.6	0.6	71	-6	none	1.88
		Korea Fund†/closed-end	—*	8.7	0.5	241	6	NA	1.50
		Latin America Investment Fund/closed-end	—*	54.2	3.6	118	36	NA	2.30
C	A	Lexington Worldwide Emerg Mkts/Lexington	11.2	10.7	1.2	29	13	none	1.97
		Malaysia Fund/closed-end	—*	3.7	0.5	110	3	NA	1.70
		Merrill Lynch Devel Capital Mkts/ML Funds	—*	17.4	2.2	127	13	4.00	1.77
		Merrill Lynch EuroFund-A/ML Funds	—*	16.6	3.7	598	7	6.50	1.13
A	C	Merrill Lynch Pacific Fund-A/ML Funds	23.6	-2.5	2.1	419	13	6.50	1.02
		Mexico Equity & Income/closed-end	—*	22.8	5.9	115	30	NA	1.57
A	A+	Mexico Fund†/closed-end	39.9	15.7	2.4	672	45	NA	1.13
		New Germany Fund/closed-end	—*	20.8	none	373	18	NA	1.05
		Newport Tiger Fund/Newport	—*	24.6	none	85	304	5.00	1.83
		Nomura Pacific Basin Fund/Nomura	—*	-14.1	2.2	44	-20	none	1.46
		Pacific-European Growth Fund/closed-end	—*	7.8	0.7	36	5	NA	1.92
		PaineWebber Europe Growth-A/PaineWebber	—*	1.3	2.7	105	-25	4.50	*2.00*
		Phoenix Multi-International/Phoenix	—*	0.3	3.1	28	48	4.75	*2.09*
		Pierpont International Equity/TBC	—*	2.1	0.0	40	61	none	1.38a
		Pioneer Europe Fund/Pioneer	—*	19.6	0.3	37	208	5.75	*2.00a*
		Portugal Fund/closed-end	—*	15.4	0.9	62	14	NA	1.96

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 9/82 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	19.3%	-0.7%	1.9%				
		Forbes foreign stock fund composite	14.1%	8.5%	1.4%				$1.72
		T Rowe Price European Stock/Price	—*	19.6%	0.7%	$139	53%	none	$1.54
		T Rowe Price Intl Discovery/Price	—*	4.1	1.0	196	14	none	1.50a
B	B	T Rowe Price Intl Stock/Price	19.6%	13.2	1.5	1,863	44	none	1.10
		T Rowe Price New Asia/Price	—*	17.5	1.5	239	215	none	1.74a
		ROC Taiwan Fund/closed-end	—*	-8.9	none	252	-14	NA	1.92
		Rodney Square Intl Equity/Rodney Sq	—*	1.5	0.4	31	-43	4.00%	*1.75a*
		Scottish Widows Intl/Advest	—*	7.3	0.9	42	-2	5.50	*1.99*
C	B	Scudder International Fund/Scudder	19.0	7.9	1.5	1,022	14	none	1.30
		Scudder New Asia Fund/closed-end	—*	0.3	0.6	110	-1	NA	1.79
		Scudder New Europe Fund/closed-end	—*	8.9	2.8	169	6	NA	1.85
		Shearson Equity-International/Shearson	—*	0.2	none	28	-32	5.00b	*2.77*
		Shearson Invest-European/Shearson	—*	10.5	2.1	28	0	5.00b	*2.65*
		Spain Fund/closed-end	—*	8.8	1.6	117	6	NA	1.98
		Swiss Helvetia Fund/closed-end	—*	21.4	0.2	131	30	NA	1.85
		Taiwan Fund[1]/closed-end	—*	-2.8	none	173	23	NA	3.10
■C	A	Templeton Foreign Fund/Templeton	—*	20.7	2.8	1,649	47	5.75	1.03
		Thai Capital Fund/closed-end	—*	4.6	1.5	59	2	NA	2.51
		Thai Fund/closed-end	—*	6.7	1.3	163	4	NA	1.69
		Turkish Investment Fund/closed-end	—*	-16.2	1.1	43	-20	NA	2.42
		20th Century Intl Equity/20th Century	—*	26.2	0.1	187	NM	—[2]	1.91
		United Gold & Government Fund/Waddell	—*	-2.6	1.5	35	-32	8.50	1.57
C	A	United International Growth/Waddell	16.2	21.5	1.2	322	24	8.50	1.15
		United Kingdom Fund/closed-end	—*	22.4	2.3	47	15	NA	1.74
D	F	United Services-Gold Shares/United	-3.8	-36.5	3.6	208	-30	none	1.64
		USAA Investment-Gold Fund/USAA	—*	-5.8	1.3	115	-14	none	1.44
		USAA Investment-International/USAA	—*	16.5	0.7	39	51	none	1.74
		UST Master Funds-International/UST	—*	2.9	0.9	47	29	4.50	1.52
C	D	Van Eck International Investors/Van Eck	5.8	-14.4	1.6	488	-26	8.50	1.17
		Van Kampen Merritt S-T Global-A/Van Kampen	—*	11.4	9.0	443	424	3.00	*1.11a*
		Vanguard Intl Eq Index-European/Vanguard	—*	24.1	2.4	239	81	‡[3]	0.33
		Vanguard Intl Eq Index-Pacific/Vanguard	—*	-18.0	0.7	149	122	‡[3]	0.32
■D	■C	Vanguard Special-Gold & Prec/Vanguard	—*	-4.3	2.8	193	10	none§	0.35
■B	B	Vanguard Trustees Comm-Intl/Vanguard	—*	8.4	2.6	850	1	none	0.38
		Vontobel EuroPacific/Newport	—*	11.0	0.0	37	164	5.00	1.88

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Rules, page 122. Distributor table, page 194.

Global bond funds

Given the paltry returns of U.S. money market funds and Treasury bills it is no wonder that U.S. investors have flocked to funds that buy foreign government bonds and foreign commercial paper. The number of such funds jumped from 31, with $15 billion in total assets in 1991 to 51, with $32 billion in assets this year. Just remember that these funds are not a high-yielding substitute for domestic money markets. Any combination of rising interest rates abroad or a stronger U.S. dollar would sharply reduce their returns. And more than half these funds have sales charges.

	Total return: Annual average 9/82 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
Forbes global bond fund composite		**12.9%**	**8.2%**				**$1.36**
ACM Managed Multi-Market Trust/closed-end	—*	6.9%	11.4%	$108	-4%	NA	$1.51
Alliance Multi-Market Income/Alliance	—*	3.7	5.7	90	21	none	*1.82a*
Alliance Multi-Market Strategy-A/Alliance	—*	6.1	9.5	1,201	178	3.00%	*1.32*
Alliance Short-Term Multi-Market/Alliance	—*	7.1	8.2	6,069	17	3.00	*1.09*
Alliance World Income/Alliance	—*	4.6	6.1	529	9	none	*1.62*
Blanchard Short-Term Global Income/Sheffield	—*	5.9	8.5	1,273	200	—[1]	*1.32a*
Capital World Bond Fund/American Funds	—*	15.8	6.8	149	149	4.75	*1.42*
Dean Witter Global S-T Income/Dean Witter	—*	6.9	8.5	493	55	3.00b	*1.54*
Dean Witter World Wide Income/Dean Witter	—*	8.9	7.2	346	-20	5.00b	*1.87*
Eaton Vance Short-Term Global/Eaton Vance	—*	6.3	7.8	691	74	3.00b	*2.00*
Equitable Funds–S-T World Income-A/Equitable	—*	4.9	8.1	43	-34	3.00	*1.18a*
Fidelity Global Bond Fund/Fidelity	—*	13.3	9.9	274	111	none	1.30
First Australia Prime Income/closed-end	—*	19.2	11.4	858	-3	NA	1.46
Franklin Global Opportunity Income/Franklin	—*	12.6	8.9	118	173	4.00	0.50a
Freedom Inv II–Global Income-A/Hancock	—*	12.1	7.8	207	14	4.50	*1.35*
Freedom Short-Term World Income-A/Hancock	—*	5.3	9.1	285	106	4.50	*1.11*
Global Government Plus Fund/closed-end	—*	16.5	8.6	390	13	NA	1.07
Global Income Plus Fund/closed-end	—*	17.9	8.8	255	10	NA	1.12
Global Yield Fund/closed-end	—*	13.0	6.8	564	2	NA	0.99
GT Investment–Global Bond/GT Global	—*	16.6	8.4	74	57	4.75	*1.75*
GT Investment–Global Govt Income/GT Global	—*	12.1a	10.8	524	49	4.75	*1.54*
IDS Global Bond Fund/IDS	—*	20.8	6.7	71	52	5.00	*1.37*
Intl Currency–Global[2]/Huntington	—*	12.5	5.3	67	-2	2.25	*1.82*
Intl Currency–Hard Currency/Huntington	—*	23.8	5.3	40	30	2.25	*1.86*
Intl Currency–High Income/Huntington	—*	20.2	7.7	59	9	2.25	*1.83*
Kemper Invest–Short-Term Global/Kemper	—*	5.6	8.8	325	484	3.00b	*2.16*
Kemper Short-Term Global Income/Kemper	—*	7.0	9.4	406	215	3.50	1.20
Kleinwort Benson Australian Income/closed-end	—*	18.5	10.0	73	5	NA	1.62
Lord Abbett Global-Income/Lord Abbett	—*	22.5	9.3	120	56	4.75	*1.30*
Merrill Lynch Global Bond Inv & Ret-A/ML Funds	—*	22.5	9.5	499	65	4.00	0.99
Merrill Lynch S-T Global Income-A/ML Funds	—*	7.9	8.6	5,769	5	3.00	*0.99*
Merrill Lynch World Income-A[3]/ML Funds	—*	20.1	11.3	805	183	4.00	0.90
MFS Worldwide Governments/MFS	14.4%	20.6	5.8	323	88	4.75	*1.61*
PaineWebber Global Income-A/PaineWebber	—*	16.4	7.9	1,705	16	4.00	*1.35*
PaineWebber S-T Global Income-A/PaineWebber	—*	8.0	7.4	716	29	3.00	*1.15*
T Rowe Price Global Govt Bond/Price	—*	13.1	8.3	62	521	none	1.24

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Flat fee of $75 on initial investment. [2]Invests in foreign money market instruments. [3]Formerly World Income Fund.

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	Total return: Annual average 9/82 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
Forbes global bond fund composite		12.9%	8.2%				$1.36
T Rowe Price International Bond/Price	—*	25.0%	8.1%	$521	82%	none	$1.24
Prudential Intermed Global Income-A/Prudential	—*	9.3	8.7	257	-40	3.00%	*1.45*
Prudential S-T Global–Income-A/Prudential	—*	9.0	9.3	1,006	117	3.00	*1.01*
Prudential S-T Global–Assets-A/Prudential	—*	7.1	7.9	441	682	0.99	*1.29*
Putnam Global Governmental Income/Putnam	—*	13.4	8.0	395	38	4.75	*1.52*
Scudder International Bond/Scudder	—*	28.2	7.9	541	276	none	1.25a
Scudder Short-Term Global Income/Scudder	—*	13.3	9.2	849	NM	none	1.00a
Shearson Income–Global Bond/Shearson	—*	14.7	5.9	52	5	5.00b	*2.00*
Shearson Income–S-T Global Income/Shearson	—*	6.1	6.7	130	-39	3.00b	*1.75a*
Shearson S-T World Income/Shearson	—*	6.2	7.6	252	-49	3.00	*1.26*
Shearson World Wide Prime Assets/Shearson	—*	4.5	6.1	439	-40	none	*1.80a*
SunAmerica Global Short-Term Inc/SunAmerica	—*	6.0	8.8	54	164	3.00b	*0.39a*
Templeton Global Govt Income/closed-end	—*	19.8	9.3	199	12	NA	1.09
Templeton Global Income Fund[1]/closed-end	—*	17.6	9.5	1,048	8	NA	0.81
Van Eck World Income Fund/Van Eck	—*	22.2	8.8	221	142	4.75	*1.39*

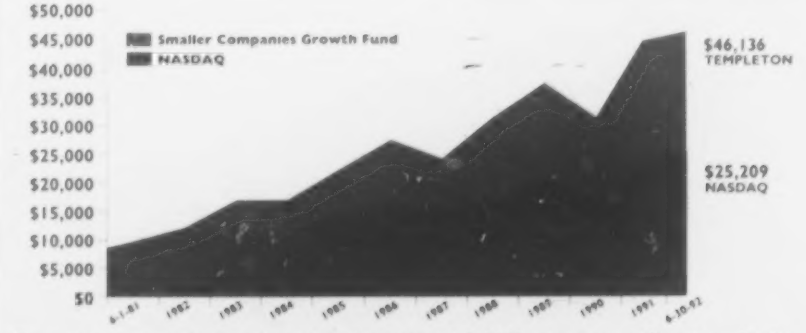
*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. [1]Fund performance adjusted for secondary offering.

Rules, page 122. Distributor table, page 194.

The Big Difference

Templeton Smaller Companies Growth Fund

Take a look at how small companies can offer big returns. The NASDAQ Composite consists of over 3,500 smaller company stocks traded over-the-counter. The Templeton Smaller Companies Growth Fund offers the aggressive investor investment opportunities in common stocks issued by smaller companies worldwide and a track record that has outperformed the NASDAQ Composite for the last 10 years!



This chart illustrates the growth in value of hypothetical $10,000 investments in Templeton Smaller Companies Growth Fund and the NASDAQ Composite made at the Fund's inception on June 1, 1981.

***Average Annual Total Returns as of 6-30-92:**
1 Year +9.6%
5 Years +6.0%
10 Years +17.1%

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For a free prospectus containing more complete information, including all charges and expenses, read it carefully before you invest or send money. Performance results include change in share price, reinvested net dividends and capital gains, and the effect of the Fund's maximum 3.75% sales charge. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Past performance is no guarantee of future results. Templeton Funds Distributor, Inc., P.O. Box 33030, St. Petersburg, FL 33733.

Taxable bond funds

Our benchmark for grading taxable bond funds is the Merrill Lynch corporate/government bond index. We evaluate performance over the five years beginning June 30, 1987. Each month in the period is pegged as bearish or bullish, according to the month-end price of the Merrill Lynch index. For each rated fund a composite bull market performance (based on all the months in which the Merrill Lynch index increased in price) is calculated and funds are awarded grades on a curve. The same exercise is done to score bear market performance. To be graded, a fund must have reported results for the full five-year period. Non-graded funds must have a minimum of $100 million in assets and at least a full year of performance history to appear in the table below.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/87 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
--		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		AAL Bond Fund[1]/AAL	—*	13.8%	6.9%	$252	72%	4.75%	*$1.03a*
D	B	AARP Inc–GNMA & US Treasury/Scudder	9.6%	12.9	7.7	4,615	57	none	0.74
C	C	AARP Inc–High Quality Bond/Scudder	9.3	13.2	6.5	323	85	none	1.17
		ACM Government Income Fund/closed-end	—*	17.6	10.9	498	5	NA	1.30
		ACM Government Opportunity/closed-end	—*	17.6	9.7	112	7	NA	1.23
		ACM Government Securities/closed-end	—*	17.8	10.9	692	5	NA	1.28
		ACM Government Spectrum/closed-end	—*	14.3	9.7	276	3	NA	1.35
		ACM Managed Income Fund/closed-end	—*	24.5	10.9	259	65	NA	1.10
D	C	Advantage Government Securities/Advest	7.5	12.1	7.2	133	28	4.00b	*1.40a*
D	A	AIM Government Securities/AIM	9.1	12.6	7.9	117	58	5.00	*1.00a*

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
A	D	AIM Income Fund[1]/AIM	9.4%	15.4%	7.7%	$224	3%	5.00%	*$1.00a*
		AIM Limited Maturity Treasury Shs/AIM	—*	9.6	6.1	228	84	1.00	*0.49*
C	C	Alliance Bond-US Government-A/Alliance	9.1	13.5	8.6	524	7	3.00	*1.12*
C	B	Alliance Mortgage Secs Income-A/Alliance	10.3	13.5	9.4	872	76	3.00	*1.16*
		Allstate Prime Income Trust[2]/Dean Witter	—*	6.7	6.6	428	-9	3.00b	1.52
		American Adj Rate Term-1995/closed-end	—*	12.1	7.9	111	3	NA	0.66
		American Adj Rate Term-1996/closed-end	—*	10.4	8.4	262	1	NA	0.62
C	D	American Capital Bond Fund/closed-end	8.2	15.7	8.5	219	7	NA	0.72
D	B	American Capital Corp Bond/American Cap	9.2	14.6	8.2	186	1	4.75	*1.00*
D	C	American Capital Federal Mort-A/American Cap	8.3	6.8	7.1	161	347	4.00	*1.16a*
B	D	American Capital Govt Secs-A/American Cap	9.6	13.8	8.4	3,779	1	4.75	*0.96*
		American Capital Income Trust/closed-end	—*	22.0	11.1	120	9	NA	1.03
		American Government Income/closed-end	—*	25.0	10.1	168	13	NA	1.09
		American Government Income Port/closed-end	—*	26.4	9.8	246	13	NA	1.08
		American Opportunity Income/closed-end	—*	30.5	9.9	225	15	NA	1.22
D	A	AMEV Securities/closed-end	9.8	14.7	10.5	119	6	NA	0.82
B	C	Babson Bond-Portfolio L/Jones & Babson	9.8	14.7	7.9	131	28	none	0.98
D	B	Bartlett Capital-Fixed Income/Bartlett	9.0	13.1	6.6	145	-2	none	1.00
B	B	Benham GNMA Income/Benham	10.9	14.1	7.9	829	68	none	0.62
A+	F	Benham Target Maturities-2000/Benham	16.4	24.7	4.9	157	101	none	0.68
A+	F	Benham Target Maturities-2005/Benham	16.6	25.3	4.4	160	33	none	0.67
A+	F	Benham Target Maturities-2015/Benham	13.2	25.3	5.6	151	-34	none	0.63
C	C	Benham Treasury Note Fund/Benham	8.8	12.7	6.2	333	71	none	0.59
		Bernstein Govt Short Duration/Bernstein	—*	10.4	5.8	249	21	none	0.65
		Bernstein Intermediate Duration/Bernstein	—*	14.7	7.0	478	44	none	0.63
		Bernstein Short Duration +/Bernstein	—*	10.8	6.3	518	25	none	0.65
		Blackrock Advantage Term Trust/closed-end	—*	17.7	9.0	101	8	NA	1.30
		Blackrock Income Trust[3]/closed-end	—*	20.6	9.5	590	11	NA	1.03
		Blackrock Target Term Trust[4]/closed-end	—*	19.3	9.0	976	8	NA	0.92
		Wm Blair-Income/Wm Blair	—*	16.4	8.3	111	94	none	0.91a
C	B	Bond Fund of America/American Funds	10.1	17.1	8.3	3,338	46	4.75	*0.77*
F	A	Capstone Govt Income/Capstone	5.2	5.8	3.7	102	276	none	*1.63*
D	B	Cardinal Government Obligations/Cardinal	9.5	10.6	9.0	155	28	4.50	0.76
A	D	Colonial Federal Secs-A[5]/Colonial	9.4	13.5	7.6	1,873	-8	4.75	*1.21*
D	B	Colonial Income Fund-A/Colonial	8.7	13.9	8.8	151	6	4.75	*1.25*
		Colonial InterMarket Income I/closed-end	—*	18.2	10.3	126	6	NA	1.07
		Colonial US Government-A/Colonial	—*	9.2	9.1	1,229	296	4.75	*1.16*
A	C	Columbia Fixed Income Secs/Columbia	10.5	15.6	7.2	238	45	none	0.66
B	D	Common Sense-Government/Common Sense	9.3	14.4	7.6	244	48	6.75	0.96
C	C	Composite US Govt Securities/Murphey	9.8	12.8	7.3	168	67	4.00	*1.01*
		Comstock Partners Strategy Fund/Comstock	—*	8.4	8.5	776	-35	4.50	1.11

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		Counsellors Intermed Maturity Govt/Counsellors	—*	13.8%	6.6%	$115	52%	none	$0.60a
		Dean Witter Government Income/closed-end	—*	10.2	8.2	559	2	NA	0.72
B	D	Dean Witter Govt Secs Plus/Dean Witter	8.8%	12.6	7.4	1,183	-6	5.00%b	*1.49*
		Dean Witter Intermediate Inc/Dean Witter	—*	13.0	7.3	168	49	5.00b	*1.67*
D	A	Dean Witter US Govt Securities/Dean Witter	8.5	9.8	8.7	12,260	16	5.00b	*1.17*
D	A+	Delaware Group Treas Res Intermed/Delaware	8.8	11.3	7.7	387	243	3.00	*0.90a*
C	B	Delaware Group US Govt/Delaware	9.5	12.9	8.6	181	14	4.75	*1.18*
		Dodge & Cox Income Fund/Dodge & Cox	—*	15.5	7.1	122	88	none	0.64
A	D	Dreyfus A Bonds Plus/Dreyfus	9.9	16.1	7.5	486	32	none	0.88
C	C	Dreyfus GNMA Fund/Dreyfus	9.2	11.7	7.9	1,800	11	none	*0.95*
B	C	Dreyfus 100% US Treasury Intermed/Dreyfus	9.5	14.0	8.0	202	121	none	0.62a
A+	F	Dreyfus 100% US Treasury L-T/Dreyfus	10.2	15.4	7.9	224	135	none	0.25a
D	A	Dreyfus Short-Intermediate Govt/Dreyfus	9.4	12.7	7.3	226	152	none	0.33a
		Dreyfus Strategic Governments Inc/closed-end	—*	13.9	9.2	165	4	NA	0.88
D	B	Eaton Vance Govt Obligations/Eaton Vance	9.5	11.4	9.4	441	55	4.75	*1.18*
		Eaton Vance Prime Rate Res[1]/Eaton Vance	—*	6.5	6.3	1,364	-30	3.00b	1.37a
		Eaton Vance Short-Term Treasury/Eaton Vance	—*	4.4	none	101	48	none	*0.60a*
C	B	Fidelity Advisor Limited Term Bond/Fidelity	9.6	13.5	8.2	178	43	4.75	0.57
D	A	Fidelity Advisor US Govt Income/Fidelity	9.2	11.0	7.2	194	31	4.75	0.45
C	B	Fidelity Ginnie Mae/Fidelity	10.0	12.8	7.2	916	18	none	0.81
C	B	Fidelity Government Securities/Fidelity	9.7	14.9	7.5	526	14	none	0.70
D	B	Fidelity Intermediate Bond Fund/Fidelity	9.1	12.8	7.3	1,304	44	none	0.63
B	C	Fidelity Investment Grade Bond[2]/Fidelity	10.1	15.5	8.1	953	109	none	0.70
C	B	Fidelity Mortgage Securities/Fidelity	10.0	12.8	7.1	441	9	none	0.80
D	A+	Fidelity Short-Term Bond/Fidelity	8.7	12.6	8.5	1,370	429	none	0.86
D	A	Financial Bond Shs–Select Income/Invesco	9.1	15.7	7.9	117	116	none	*1.15*
C	A	First Boston Income Fund/closed-end	10.7	21.7	10.3	214	11	NA	0.87
A	D	First Investors Government Fund/First Inv	9.6	12.9	6.9	302	-2	6.90	*1.35a*
		Flag Inv Total Return US Treas[3]/Brown	—*	13.8	7.8	442	18	4.50	*0.80*
A	D	Fort Dearborn Income Securities/closed-end	10.9	17.2	7.7	114	9	NA	0.81
D	B	Fortis Advantage–Govt Total Return/Fortis	8.1	9.2	8.1	100	37	4.50	*1.25a*
C	B	Fortis US Govt Securities Fund[4]/Fortis	9.9	12.4	8.6	531	51	4.50	0.72
		Franklin Adj US Govt Securities/Franklin	—*	7.1	6.6	3,564	51	3.00	*0.37a*
		Franklin Principal Maturity Trust/closed-end	—*	16.4	8.4	173	6	NA	1.03
D	A	Franklin Short-Intermed US Govt/Franklin	7.3	10.4	6.5	183	121	1.50	0.71
C	A	Franklin Tax-Advantaged US Govt/Franklin	10.6	12.8	7.7	192	118	4.00	0.80
D	A	Franklin US Government Securities/Franklin	10.2	11.6	8.6	13,319	13	4.00	0.52
A	D	Freedom Inv–Govt Income-A/Hancock	9.9	13.4	8.0	197	36	4.50	*0.65*
D	A	Fund for US Govt Securities/Federated	9.9	11.4	8.4	1,489	26	4.50	0.95
D	D	GNA Investors–US Govt Securities/GNA	7.5	11.8	7.6	590	411	5.00b	*1.68*
D	B	Government Income Securities/Federated	9.8	11.3	8.6	2,556	82	2.00b	0.92

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		Gradison-McDonald Govt Income[1]/Gradison	—*	12.4%	6.9%	$179	63%	2.00%	*$0.96*
		GW Sierra-Corporate Income/Gt Western	—*	16.2	8.5	168	369	4.50	*1.00*
		GW Sierra-US Government Secs/Gt Western	—*	13.8	8.1	502	201	4.50	*0.80*
B	C	John Hancock Govt Spectrum/Hancock	10.1%	13.6	7.1	355	2	4.50	*1.42*
B	C	John Hancock Income Securities/closed-end	10.3	14.6	8.8	159	6	NA	0.75
B	C	John Hancock Investors Trust/closed-end	10.1	15.0	8.9	155	7	NA	0.74
C	B	John Hancock Sovereign Bond[2]/Hancock	9.9	13.8	8.2	1,311	14	4.50	*1.27*
D	B	John Hancock US Govt Securities/Hancock	7.9	10.8	6.9	244	31	4.50	*1.44*
		Hyperion Total Return Fund/closed-end	—*	10.2	11.4	270	-1	NA	1.10
A	D	IAI Bond Fund/IAI Funds	9.8	14.9	7.7	104	-9	none	*1.10*
F	A+	IAI Reserve Fund/IAI Funds	7.1	6.1	5.1	110	13	none	*0.85*
B	C	IDS Bond Fund/IDS	9.8	17.1	7.9	2,082	13	5.00	0.72
D	A	IDS Federal Income Fund/IDS	9.0	8.9	7.0	834	110	5.00	0.80
B	D	IDS Selective Fund/IDS	9.8	15.0	7.3	1,494	14	5.00	0.80
B	D	IDS Strategy-Income/IDS	8.6	16.6	7.3	414	54	5.00b	*1.77*
D	A	InterCapital Income Securities/closed-end	10.0	16.7	10.3	227	7	NA	0.66
		Intermediate Bond Fund of Amer/American Funds	—*	12.4	7.9	1,048	216	4.75	*1.00a*
		ISI Total Return US Treasury[3]/ISI	—*	13.8	7.8	442	18	4.45	*0.80*
		Janus Flexible Income Fund/Janus	—*	19.2	9.3	147	433	none	1.00a
		Kemper Adjustable Rate US Govt/Kemper	—*	12.6	7.6	152	103	3.50	*0.39a*
D	B	Kemper Inc & Cap Preservation/Kemper	9.4	14.2	8.2	458	11	4.50	0.81
		Kemper Intermediate Government/closed-end	—*	13.8	8.9	305	5	NA	0.93
F	A	Kemper Invest-Diversified Income/Kemper	7.2	27.7	9.7	265	13	3.00b	*2.16*
B	D	Kemper Invest-Government/Kemper	8.7	15.4	8.2	5,450	13	3.00b	*1.89*
		Kemper Invest-Short-Intermed Govt/Kemper	—*	10.8	6.8	185	86	3.00b	*2.00*
		Kemper Multi-Market Income/closed-end	—*	27.9	10.3	219	15	NA	1.00
B	C	Kemper US Government Secs/Kemper	10.0	14.8	8.6	6,405	29	4.50	0.65
		Keystone America Cap Pres & Income I/Keystone	—*	6.8	6.8	130	121	3.50	*0.74a*
C	D	Keystone Custodian B-1/Keystone	8.1	12.5	7.5	455	5	4.00b	*2.00*
D	C	Keystone Custodian B-2/Keystone	7.0	17.0	8.9	872	10	4.00b	*1.97*
		Legg Mason Inc-US Govt Intermed/Legg Mason	—*	13.3	6.1	252	95	none	*0.85a*
A	D	Lexington GNMA Income Fund/Lexington	9.8	13.6	7.5	131	27	none	1.02
D	B	Liberty Advantage US Govt Secs/Liberty	8.8	11.6	8.2	743	70	4.50	0.86
A	D	Lord Abbett US Govt Secs/Lord Abbett	10.1	14.6	9.2	2,812	52	4.75	*0.94*
B	C	Lutheran Brotherhood Income/Lutheran	10.2	14.3	7.8	870	16	5.00	0.97
A	D	Mackenzie Fixed Income Trust/Mackenzie	10.2	14.7	6.4	102	11	4.75	*1.50a*
C	D	MainStay-Government Plus/NYLife	8.3	11.3	8.5	879	51	5.00b	*1.71*
F	A+	MassMutual Corporate Investors/closed-end	7.9	13.6	9.3	128	3	NA	1.44
B	C	Merrill Lynch Corp-High Quality-A/ML Funds	10.0	14.5	7.6	587	20	4.00	0.59
C	B	Merrill Lynch Corp-Intermediate/ML Funds	9.6	13.1	7.8	132	37	2.00	0.63
C	B	Merrill Lynch Federal Securities/ML Funds	10.0	11.6	7.3	4,005	81	4.00	*0.58*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly Gradison Government Income Fund. [2]Formerly John Hancock Bond Fund. [3]Assets include sister fund Flag Investors Total Return.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		Merrill Lynch Prime Fund[1]/ML Funds	—*	6.9%	6.7%	$1,000	-40%	3.00%b	$1.36
B	C	MetLife-State Street Govt Inc/State St	9.6%	14.7	7.6	758	-5	none	*1.05*
B	C	MFS Bond Fund/MFS	10.2	16.3	8.0	460	46	4.75	*0.91*
		MFS Charter Income/closed-end	—*	18.2	9.4	936	5	NA	1.02
B	D	MFS Government Income Plus/MFS	7.6	12.0	6.1	779	-17	4.75	*1.44*
B	C	MFS Government Markets Income/closed-end	10.1	14.1	7.3	782	1	NA	1.04
		MFS Government Premium Fund/MFS	—*	7.9	5.0	323	-21	3.75	*1.33*
C	C	MFS Government Securities/MFS	8.7	12.7	7.8	355	10	4.75	*1.25*
		MFS Intermediate Income/closed-end	—*	13.7	7.2	1,653	2	NA	0.98
C	D	MFS Lifetime Govt Income +/MFS	6.9	11.0	5.8	2,630	-10	6.00b	*1.95a*
		MFS Lifetime Intermediate Income/MFS	—*	12.4	6.0	288	92	6.00b	*2.24*
C	A	MFS Multimarket Income Trust/closed-end	11.8	16.6	8.0	977	3	NA	1.05a
C	F	Montgomery Street Income Secs/closed-end	10.6	16.5	9.0	192	28	NA	0.81
A	D	National Federal Securities/National Secs	8.8	16.9	7.7	336	-6	4.75	*1.07*
		National Multi-Sector Fixed Inc-A/National Secs	—*	19.3	9.2	169	722	4.75	*1.50*
D	A	N & B Limited Maturity/N & B	8.7	10.3	6.3	242	70	none	0.65a
		New America High Income Fund/closed-end	—*	31.2	13.1	184	8	NA	1.97
D	A+	Nicholas Income Fund/Nicholas	8.1	13.2	9.6	103	49	none	0.66
F	A+	Northeast Investors Trust/Northeast Inv	7.3	26.7	12.6	416	52	none	0.84
C	B	Oppenheimer GNMA Fund/Oppenheimer	9.6	12.9	7.1	100	20	4.75	*1.32*
B	C	Oppenheimer Govt Securities/Oppenheimer	10.2	12.8	7.4	160	-8	4.75	*0.98*
		Oppenheimer Multi-Sector Income/closed-end	—*	16.7	10.8	306	6	NA	1.10
		Oppenheimer Strategic Income/Oppenheimer	—*	16.5	9.4	1,378	258	4.75	*1.18*
C	B	Oppenheimer US Government/Oppenheimer	9.1	13.0	7.1	396	16	4.75	*1.15*
		Overland Express Variable Rate Govt/Overland	—*	7.1	7.1	1,806	NM	3.00	*0.72a*
C	A	Pacific American Income Shares/closed-end	10.7	17.7	8.8	109	8	NA	0.84
		Pacific Horizon-US Government/Pacific	—*	13.8	7.5	110	270	4.50	0.37a
		Pacifica Asset Preservation Fund/Furman Selz	—*	7.6	5.9	110	79	none	*0.77a*
		Pacifica Government Income/Furman Selz	—*	12.3	7.2	119	88	4.50	*0.79a*
A	D	PaineWebber Income Fund-A/PaineWebber	9.2	17.6	8.4	184	25	4.00	*1.12*
B	C	PaineWebber Inv Grade Inc-A/PaineWebber	9.8	15.0	8.0	228	4	4.00	*0.99*
B	C	PaineWebber US Govt Income-A/PaineWebber	9.7	13.4	7.7	808	7	4.00	*0.95*
		Parkstone Bond/Winsbury	—*	13.4	7.2	475	10	4.00	0.88a
		Parkstone Intermediate Govt Oblig/Winsbury	—*	12.0	6.8	235	65	4.00	0.85a
		Parkstone Limited Maturity/Winsbury	—*	11.0	7.0	117	66	3.00	0.71a
		Permanent Port-Treasury Bill/Permanent	—*	4.2	2.0	312	12	—[2]	*0.73a*
		Pilgrim Adj US Govt Secs III/Pilgrim	—*	8.9	7.9	932	354	5.00	0.27a
		Pilgrim Prime Rate Trust[3]/closed-end	—*	7.2	6.4	804	-24	NA	1.42a
F	B	Pilgrim S-T Multi-Market Income/Pilgrim	-6.2	0.2	10.0	136	-21	3.00	*1.47*
D	B	Pioneer Bond Fund/Pioneer	9.5	13.0	8.0	103	36	4.50	*1.09*
B	D	Piper Jaffray Govt Income/Piper	8.0	15.8	9.1	107	45	4.00	*1.24*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. [1]Technically a closed-end fund. [2]One-time $35 startup fee and $1.50 per month maintenance fee regardless of number of shareholders. [3]Closed-end fund that acts like a money market.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		Piper Jaffray Inst Govt Income/Piper	—*	16.9%	8.3%	$338	280%	1.50%	*$0.67*
		Portico-Bond IMMDEX Fund/Sunstone	—*	14.3	6.6	156	137	‡	0.50a
		Preferred Income/closed-end	—*	34.4	9.6	207	75	NA	1.73
C	A	Premier GNMA/Dreyfus	11.2%	13.3	7.7	135	69	4.50	*0.64a*
C	B	T Rowe Price GNMA Fund/Price	9.8	13.6	8.0	800	52	none	0.86
C	C	T Rowe Price New Income Fund/Price	9.8	13.2	7.1	1,361	18	none	0.87
D	A	T Rowe Price Short-Term Bond/Price	8.3	10.8	7.0	415	91	none	0.87
		T Rowe Price Spectrum-Income/Price	—*	15.4	7.5	243	199	none	0.95
		T Rowe Price US Treasury Intermed/Price	—*	13.2	6.6	132	72	none	0.80a
A	D	Princor Government Securities Inc/Princor	10.7	14.5	7.3	149	83	5.00	*0.89*
C	D	Prudential GNMA Fund-A/Prudential	8.4	13.1	8.3	302	24	4.50	*1.11*
B	D	Prudential Government Plus-A/Prudential	9.1	14.3	7.4	2,708	-8	4.50	*0.86*
D	B	Prudential Govt Secs-Intermed/Prudential	8.4	12.5	7.9	289	-1	none	*0.84*
		Prudential Structured Mat-A/Prudential	—*	11.8	7.5	107	-5	3.25	*0.37a*
A	F	Prudential US Government-A/Prudential	8.6	14.8	6.9	158	-2	4.50	*1.03*
		Putnam Adjustable Rate US Govt-A/Putnam	—*	6.5	7.7	376	391	3.25	*1.36a*
		Putnam Diversified Income Trust/Putnam	—*	19.1	8.3	323	111	4.75	*1.51*
A	D	Putnam Federal Income/Putnam	9.2	13.5	8.0	686	-7	4.75	*1.05*
		Putnam High Inc Convert & Bond/closed-end	—*	31.1	11.2	108	18	NA	1.31
C	D	Putnam High Income Government/Putnam	7.8	8.2	7.0	4,425	-14	4.75	*0.97*
B	B	Putnam Income Fund/Putnam	10.4	15.9	8.9	587	25	4.75	*1.04*
		Putnam Intermediate Govt Income/closed-end	—*	13.8	7.4	592	6	NA	1.01
		Putnam Master Income Trust/closed-end	—*	19.8	9.2	482	8	NA	1.08
		Putnam Master Intermediate Inc/closed-end	—*	19.1	9.2	331	8	NA	1.08
		Putnam Premier Income Trust/closed-end	—*	19.7	9.0	1,184	8	NA	1.06
D	B	Putnam US Govt Income-A/Putnam	9.5	10.7	9.2	4,312	109	4.75	*1.03*
		Quest for Value-US Govt Income/Quest	—*	11.1	7.0	156	153	4.75	*1.15a*
		RAC Income Fund/closed-end	—*	14.5	11.0	130	14	NA	1.14
		Ranieri Adj Rate US Govt I/Hyperion	—*	7.8	7.9	432	741	3.00	*0.69a*
		St Clair Fixed Inc-Intermed Bond/Fairfield	—*	11.9	6.9	120	85	none	0.79a
B	C	Scudder GNMA Fund/Scudder	9.9	13.5	8.2	412	49	none	0.99
B	C	Scudder Income Fund/Scudder	10.0	14.4	6.7	432	33	none	0.97
C	C	Scudder Short Term Bond Fund/Scudder	9.2	10.0	8.6	2,500	241	none	0.44a
		Shearson Income-Divers Strategic/Shearson	—*	17.0	8.9	1,360	213	5.00b	*1.60*
C	C	Shearson Income-Mortgage/Shearson	9.0	13.3	7.1	495	-9	5.00b	*1.60*
B	D	Shearson Invest-Govt Secs/Shearson	8.3	13.6	7.1	1,115	-16	5.00b	*1.48*
A+	F	Shearson Invest-Inv Grade Bond/Shearson	10.2	19.0	7.4	416	7	5.00b	*1.54*
C	C	Shearson Managed Governments/Shearson	9.3	14.7	8.0	483	3	5.00	0.85
A	C	Smith Barney-US Government/Smith Barney	11.1	14.3	8.4	438	24	4.00	0.52
		Spartan Ginnie Mae/Fidelity	—*	13.5	7.8	810	214	none	0.09a
		Spartan Government Income/Fidelity	—*	13.7	7.5	508	18	none	0.65

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		Spartan Limited Maturity Govt/Fidelity	—*	9.5%	6.8%	$1,771	160%	none	$0.54a
D	B	SteinRoe Income Fund/Stein Roe	9.4%	15.3	8.0	113	20	none	0.88
B	C	SteinRoe Intermediate Bond/Stein Roe	9.5	14.0	7.7	243	32	none	0.70
		Strong Advantage Fund/Strong	—*	10.8	7.6	214	93	none	1.03
		Strong Short-Term Bond Fund/Strong	—*	13.3	8.3	470	468	none	1.00a
F	A+	SunAmerica Equity–US Govt Secs/SunAmerica	7.7	8.3	8.3	1,075	110	5.00%b	*1.90*
B	C	SunAmerica Federal Securities/SunAmerica	9.5	12.2	7.1	125	1	5.00b	*1.90*
C	B	TNE Bond Income Fund/TNE	9.7	15.5	7.4	131	41	4.50	*1.15*
A	D	TNE Government Securities/TNE	8.8	18.1	6.5	176	5	4.50	*1.21*
		TNE Premium Income[1]/TNE	—*	12.3	7.0	387	169	3.00	*1.25*
D	B	Thomson–Income-A/Thomson	6.9	13.3	9.6	238	-18	4.75	*1.15*
B	D	Thomson–US Government-A/Thomson	8.6	13.3	9.0	500	17	4.75	*1.05*
A	D	Transamerica Govt Securities/Transamerica	9.2	14.7	9.2	740	1	4.75	*1.21*
A	B	Transamerica Income Shares/closed-end	11.8	14.9	8.7	129	5	NA	0.68
B	D	Transamerica Inv Quality Bond/Transamerica	9.3	15.0	9.0	107	29	4.75	*1.35*
		Transamerica Spec Govt Income/Transamerica	—*	12.8	8.4	203	98	6.00b	*2.00*
A	D	20th Century Long-Term Bond/20th Century	8.0	16.0	6.7	140	64	none	0.98a
D	A	20th Century US Governments/20th Century	7.9	10.0	5.3	561	17	none	0.99a
		Tyler Cabot Mortgage Securities/closed-end	—*	11.7	11.3	326	-1	NA	1.06
C	C	United Bond Fund/Waddell	9.5	16.1	7.6	547	20	8.50	0.65
B	D	United Government Securities/Waddell	9.1	15.4	7.0	149	24	4.25	0.75
C	B	US Government Securities/American Funds	9.2	12.4	8.4	1,246	34	4.75	*0.95*
		USAA Investment–GNMA/USAA	—*	13.5	8.0	169	840	none	0.38a
A	C	USAA Mutual–Income Fund/USAA	11.4	15.8	7.5	1,204	84	none	0.44
B	D	UST Master Funds–Managed Income/UST	8.9	13.9	6.9	113	73	4.50	1.05
C	B	Value Line US Government Secs/Value Line	10.1	13.4	7.0	405	30	none	0.63
		Van Kampen Merritt Intermed Hi Inc/closed-end	—*	27.8	13.3	146	7	NA	2.51
		Van Kampen Merritt Ltd High Inc/closed-end	—*	28.4	11.3	114	8	NA	2.73
		Van Kampen Merritt Prime Rate[2]/closed-end	—*	7.4	7.1	958	-6	NA	1.63
B	C	Van Kampen Merritt US Govt/Van Kampen	10.3	13.7	8.8	3,452	5	4.90	*0.68*
B	C	Vanguard Bond Market Fund/Vanguard	10.0	13.4	7.5	921	65	—[3]	0.16
A	C	Vanguard Fixed Inc–GNMA/Vanguard	11.1	14.5	7.9	6,155	73	none	0.29
A+	D	Vanguard Fixed Inc–Invest Grade/Vanguard	11.1	18.0	8.0	2,329	60	none	0.31
A+	F	Vanguard Fixed Inc–L-T US Treas[4]/Vanguard	10.1	14.8	7.4	840	20	none	0.26
D	A	Vanguard Fixed Inc–Short-Term/Vanguard	9.5	11.9	7.0	2,336	104	none	0.26
		Vanguard Fixed Inc–S-T Federal/Vanguard	—*	11.1	6.6	1,387	109	none	0.26
B	C	Vanguard Preferred Stock Fund/Vanguard	10.2	17.1	7.9	169	160	none	0.56
C	B	WPG Government Securities Fund/Weiss	10.0	13.2	7.6	245	61	none	0.76
		Zenix Income Fund/closed-end	—*	25.9	13.3	105	11	NA	2.15
		Zweig Total Return/closed-end	—*	10.4	6.6	617	4	NA	1.11

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly ITB Premium Income Fund. [2]Closed-end fund that acts like a money market. [3]Annual $10 maintenance fee. [4]Formerly Vanguard Fixed Income–US Treasury Fund.

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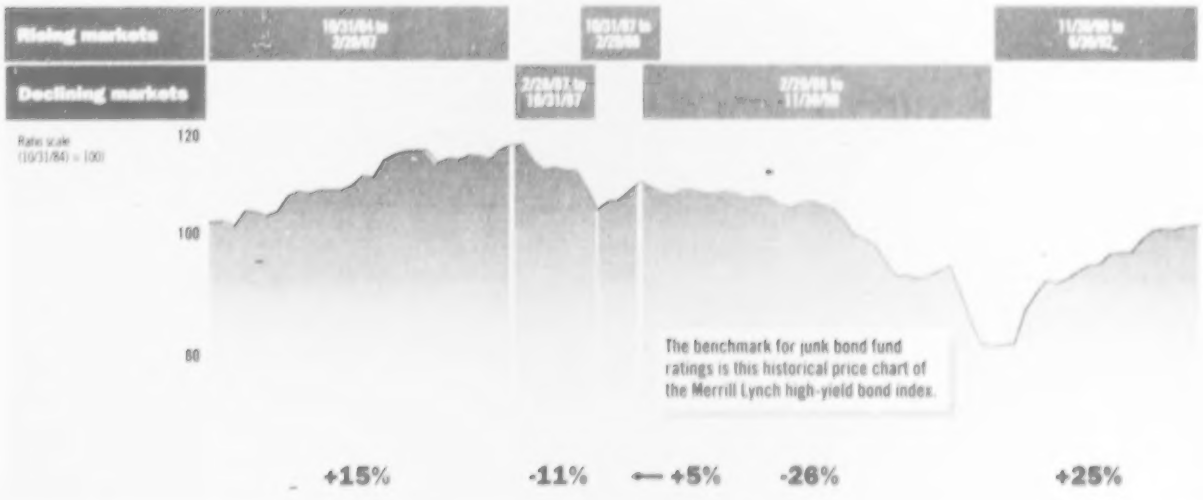
Junk bond funds

These funds invest in non investment grade corporate bonds (those rated BB+ or lower by Standard & Poor's and Ba1 or lower by Moody's). Since junk bonds perform more like stocks (their market value is more sensitive to corporate cash flow and future prospects than to movements in interest rates), we rate these bond funds with a system that is similar to one that we use for stock funds. The only difference is that the shorter history of junk bond funds forces us to analyze them over two and a half instead of three market cycles. Our benchmark for junk bond performance is the price history of the Merrill Lynch high yield index. Since October 1984 the Merrill Lynch index has had an average annual total return of 13.4%, while the average junk bond in this survey returned 5.3%.



Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 10/84 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch high yield index	13.4%	24.3%	4.4%				
		Forbes junk bond fund composite	5.3%	27.1%	11.0%				$1.20
B	■ A	AIM High Yield Fund[1]/AIM	6.9%	27.8%	11.2%	$287	18%	5.00%	*$1.22*
■ C	■ F	Alliance Bond-High Yield/Alliance	—*	21.3	11.5	111	10	4.75	*1.61*
C	■ D	American Capital High Yld Inv/American Cap	3.5	30.3	11.5	422	32	4.75	*1.06a*
		American High-Income Trust/American Funds	—*	18.7	9.5	373	75	4.75	*1.00*
		Cigna High Income Shares/closed-end	—*	35.0	13.4	178	8	NA	1.24
B	■ C	Colonial High Yield Securities-A/Colonial	6.1	30.3	10.6	401	44	4.75	*1.36*
A+	■ F	Dean Witter High Yield Secs/Dean Witter	1.3	41.5	9.4	513	22	5.50	0.77
B	■ C	Delaware Group Delchester[2]/Delaware	5.9	25.2	11.4	736	22	4.75	*1.20*
■ B	■ B	Eaton Vance High Income Trust/Eaton Vance	—*	29.0	11.9	271	42	6.00b	*2.19*
A	■ C	Federated High Yield Trust/Federated	6.6	26.8	11.0	258	94	none	0.76a

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly Cigna High Yield Fund. [2]Formerly Delaware Group Delchester High Yield II.

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 10/84 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch high yield index	13.4%	24.3%	4.4%				
		Forbes junk bond fund composite	5.3%	27.1%	11.0%				$1.20
B	■ B	Fidelity Capital & Income/Fidelity	6.1%	32.8%	8.7%	$1,654	69%	none	$0.80
D	■ A	Financial Bond Shs-High Yield/Invesco	5.1	17.8	9.1	186	138	none	*1.05*
D	■ D	First Investors Fund for Income/First Inv	3.4	29.6	12.9	428	2	†	*1.18*
■ C	■ D	First Investors High Yield Fund/First Inv	—*	27.9	10.3	205	-5	†	*1.58*
B	■ D	Franklin AGE High Income Fund/Franklin	5.2	25.4	10.9	1,860	14	4.00%	0.58
		Franklin Universal Trust/closed-end	—*	38.8	9.8	306	63	NA	1.12
■ D	■ B	John Hancock Strategic-Income/Hancock	—*	17.3	10.0	165	103	4.50	*1.69*
		High Income Advantage Trust/closed-end	—*	29.7	9.7	176	13	NA	1.07
		High Income Advantage Trust II/closed-end	—*	31.2	10.2	229	13	NA	0.92
C	■ C	IDS Extra Income Fund/IDS	5.3	29.2	10.4	1,251	32	5.00	0.84
C	■ B	Kemper Diversified Income Fund/Kemper	6.0	28.7	10.7	255	21	4.50	1.16
		Kemper High Income Trust/closed-end	—*	30.5	11.3	193	19	NA	2.22
A	■ B	Kemper High Yield Fund/Kemper	6.9	26.3	11.0	1,925	23	4.50	0.83
B	■ D	Kemper Invest-High Yield/Kemper	5.4	25.8	10.3	927	26	3.00b	*1.93*
D	■ D	Keystone Custodian B-4/Keystone	2.5	32.4	11.2	828	25	4.00b	*2.23*
A	■ B	Liberty High Income Bond/Federated	7.2	29.2	11.1	358	32	4.50	1.02
D	■ A	Lord Abbett Bond-Debenture/Lord Abbett	6.2	24.7	10.3	650	19	4.75	*0.85*
		Lutheran Brotherhood High Yield/Lutheran	—*	26.1	10.8	263	58	5.00	1.16
■ B	■ B	MainStay-High Yield Corp Bond/NYLife	—*	27.8	11.1	410	72	5.00b	*1.80*
C	■ A	Merrill Lynch Corp-High Income-A/ML Funds	7.8	26.7	11.9	1,271	76	4.00	0.60
■ B	■ C	MetLife-State Street High Income/State St	—*	24.6	11.8	348	63	4.50	*1.25*
C	■ D	MFS High Income Fund/MFS	4.7	24.6	11.2	576	25	4.75	*1.20*
■ A	■ D	MFS Lifetime High Income/MFS	—*	23.9	10.3	248	51	6.00b	*2.37*
B	■ D	National Bond Fund/National Secs	4.4	38.6	12.9	513	44	4.75	*1.45*
F	■ A	Oppenheimer High Yield Fund/Oppenheimer	6.4	20.0	13.0	903	37	4.75	*0.91*
A	■ C	PaineWebber High Income-A/PaineWebber	5.8	30.6	13.1	329	48	4.00	*1.13*
D	■ A	Phoenix High Yield Fund/Phoenix	5.3	23.3	9.3	113	31	4.75	*1.18*
■ D	■ B	T Rowe Price High Yield Fund/Price	—*	20.1	10.3	1,240	54	none	0.97
C	■ C	Prudential High Yield Fund-A/Prudential	4.8	21.3	11.4	2,668	31	4.50	*0.88*
■ A	■ B	Putnam High Yield Advantage[1]/Putnam	—*	32.3	12.2	468	44	4.75	*1.33*
C	■ A	Putnam High Yield Trust/Putnam	6.7	29.5	12.3	2,313	33	4.75	*1.09*
D	■ C	Shearson High Yield/Shearson	4.7	26.7	11.2	234	19	5.00	0.95
■ C	■ C	Shearson Income-High Income/Shearson	—*	24.9	10.7	291	28	5.00b	*1.75*
		Spartan High Income/Fidelity	—*	28.2	11.3	407	258	none	0.70
C	■ D	United High Income Fund/Waddell	3.1	25.6	10.2	925	18	8.50	0.79
■ D	■ B	United High Income Fund II/Waddell	—*	21.2	10.1	330	21	8.50	0.84
■ C	■ C	Van Kampen Merritt High Yield/Van Kampen	—*	22.8	11.7	221	11	4.90	*1.51*
D	■ A	Vanguard Fixed Inc-High Yield/Vanguard	5.3	20.7	10.2	2,049	97	none	0.34

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly High Yield Trust II.

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Municipal bond funds

This table covers tax-exempt bond funds with at least $100 million in assets and a year of performance data. Our grading period is June 30, 1987 to June 30, 1992. Each month is pegged as bearish or bullish, according to the price performance of the Lehman Brothers municipal bond index. We calculate composite bull- and bear-market performances for each fund, and assign grades on a curve.

In periods of rising interest rates and declining bond prices, bonds with the shortest maturities do the best; when rates fall and prices rise, long-term bonds do the best. Thus, a short-term fund can be expected to get a D or F in up markets but an A or B in down markets. The reverse is true for long-term funds. Only a handful of funds have done well in both market environments.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/87 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
		AAL Municipal Bond Fund/AAL	—*	11.3%	6.0%	$184	53%	4.75%	*$0.95a*
A	D	AARP Insured T-F Inc-Genl Bond/Scudder	9.5%	12.2	5.4	1,373	42	none	0.77
		ABT Southern Master-Florida T-F/ABT	—*	12.7	6.3	161	81	4.75	*0.41a*
A+	F	AIM Municipal Bond Fund/AIM	9.5	13.0	6.2	271	4	5.00	*0.94*
D	A	Alliance Muni Income-Calif/Alliance	9.5	11.5	6.5	306	55	4.50	*0.49a*
B	B	Alliance Muni Income-Ins Natl/Alliance	9.6	12.4	6.1	145	16	4.50	*0.92a*
B	A	Alliance Muni Income-Natl/Alliance	10.8	13.2	6.4	237	19	4.50	*0.75a*
C	B	Alliance Muni Income-New York/Alliance	9.6	13.2	6.4	154	20	4.50	*0.65a*
		Allstate Municipal Income/closed-end	—*	11.4	6.8	353	4	NA	0.72
		Allstate Municipal Income II/closed-end	—*	12.0	6.6	298	4	NA	0.86
		Allstate Municipal Inc Oppor/closed-end	—*	4.2	8.1	195	-3	NA	1.06
		Allstate Municipal Inc Oppor II/closed-end	—*	6.6	8.3	193	0	NA	1.06

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/87 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
		Allstate Municipal Inc Oppor III/closed-end	—*	8.3%	7.5%	$110	1%	NA	$1.14
		Allstate Municipal Premium Inc/closed-end	—*	15.8	7.1	393	6	NA	1.44
B	D	American Capital Muni Bond/American Cap	9.2%	12.2	6.3	285	13	4.75%	*0.89*
D	A+	American Capital T-E High Yld/American Cap	7.9	11.2	7.7	258	19	4.75	*1.06*
		American Municipal Term Trust/closed-end	—*	17.5	6.3	130	55	NA	0.56
A	F	Benham Calif Tax-Free–Insured/Benham	8.5	12.4	5.9	143	71	none	0.59
D	A	Benham Calif Tax-Free–Intermed/Benham	7.1	9.6	5.5	292	30	none	0.55
B	D	Benham Calif Tax-Free–L-T/Benham	8.5	11.8	6.1	278	23	none	0.55
		Bernstein Diversified Muni/Bernstein	—*	9.1	5.4	279	44	none	0.69
		Bernstein New York Muni/Bernstein	—*	9.5	5.6	222	24	none	0.69
D	A	California Tax-Free Income/California Inv	9.2	13.0	5.9	210	77	none	0.58a
F	A+	Calvert Tax-Free Reserves–Limited/Calvert	6.2	5.9	5.5	471	114	2.00	0.72
C	B	Churchill T-F Fund of Kentucky/Aquila	8.7	11.8	6.4	149	77	4.00	0.42a
D	B	Colonial California Tax-Exempt-A/Colonial	8.3	10.7	6.3	316	18	4.75	0.80a
		Colonial High Income Municipal/closed-end	—*	7.4	8.1	270	0	NA	0.97
		Colonial Investment Grade Muni/closed-end	—*	8.8	8.0	126	0	NA	0.87
C	D	Colonial Mass Tax-Exempt-A/Colonial	8.6	12.1	6.5	166	49	4.75	0.50a
F	A	Colonial Municipal Income Trust/closed-end	5.7	5.1	8.4	214	-2	NA	0.87
D	A	Colonial Tax-Exempt Fund-A/Colonial	8.3	11.1	6.9	2,755	23	4.75	*1.03*
C	B	Colonial Tax-Exempt Insured-A/Colonial	8.5	10.7	6.1	211	27	4.75	*1.08*
C	C	Columbia Municipal Bond Fund/Columbia	8.8	9.5	5.8	315	33	none	0.58
D	B	Composite Tax-Exempt Bond/Murphey	7.9	11.6	5.8	159	29	4.00	*0.77*
C	D	Dean Witter Calif Tax-Free Inc/Dean Witter	8.2	10.3	5.5	915	23	5.00b	*1.28*
B	D	Dean Witter NY Tax-Free Income/Dean Witter	8.3	12.4	5.6	196	18	5.00b	*1.32*
A	D	Dean Witter Tax-Exempt Secs/Dean Witter	9.5	12.3	6.7	1,220	15	4.00	0.51
B	C	Delaware Group Tax-Free USA/Delaware	9.4	12.9	6.4	694	6	4.75	*0.78*
C	C	DMC Tax-Free Pennsylvania/Delaware	8.9	11.9	6.4	809	16	4.75	*0.82*
D	B	Dreyfus California Tax-Ex Bond/Dreyfus	7.8	10.1	6.3	1,770	9	none	0.69
C	C	Dreyfus Insured Muni Bond/Dreyfus	8.4	11.5	6.0	254	14	none	*0.96*
D	A	Dreyfus Intermediate Muni Bond/Dreyfus	8.0	11.2	6.3	1,483	21	none	0.69
D	B	Dreyfus Massachusetts T-E Bond/Dreyfus	8.1	12.0	6.2	160	30	none	0.84
C	B	Dreyfus Municipal Bond/Dreyfus	8.9	11.4	6.5	4,348	14	none	0.68
		Dreyfus Municipal Income/closed-end	—*	11.9	7.1	193	5	NA	0.88
		Dreyfus NJ Municipal Bond/Dreyfus	—*	12.1	6.1	581	36	none	*0.75a*
B	D	Dreyfus NY Insured T-E Bond/Dreyfus	8.6	12.4	5.6	161	35	none	*0.88a*
D	B	Dreyfus NY Tax-Exempt Bond/Dreyfus	8.3	12.5	6.5	1,926	12	none	0.68
D	B	Dreyfus NY T-E Intermed Bond/Dreyfus	8.0	12.1	5.8	181	62	none	*0.85a*
F	A+	Dreyfus Short-Intermediate T-E/Dreyfus	6.6	8.4	5.4	231	184	none	*0.72a*

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	**9.3%**	**11.8%**	**6.8%**				
		Forbes municipal bond fund composite	**8.8%**	**12.0%**	**6.3%**				**$0.77**
		Dreyfus Strategic Municipal Bond/closed-end	—*	11.2%	7.2%	$425	6%	NA	$0.88
		Dreyfus Strategic Municipals/closed-end	—*	10.9	7.5	528	6	NA	0.88
		Dupree–Kentucky Tax-Free Income/Dupree	—*	10.9	6.2	169	48	none	0.75
D	D	Eaton Vance California Munis/Eaton Vance	7.0%	9.6	6.2	382	16	6.00%b	*1.87*
		Eaton Vance Florida Tax-Free/Eaton Vance	—*	13.4	6.2	325[1]	214	6.00b	*1.68a*
D	C	Eaton Vance National Munis/Eaton Vance	8.0	13.9	6.8	1,383	24	6.00b	*1.82*
		Eaton Vance NJ Tax-Free/Eaton Vance	—*	12.2	6.1	161[1]	617	6.00b	*1.68*
		Eaton Vance NY Tax-Free/Eaton Vance	—*	14.8	6.3	260[1]	341	6.00b	*1.70a*
		Eaton Vance Penn Tax-Free/Eaton Vance	—*	12.6	6.3	174[1]	661	6.00b	*1.70*
D	B	Federated Intermediate Municipal/Federated	7.3	10.1	5.6	178	48	none	0.47a
B	C	Federated Tax-Free Income Fund/Federated	9.3	12.0	5.9	659	24	4.50	0.84
		Fidelity Advisor High Inc Muni/Fidelity	—*	11.9	6.6	113	132	4.75	*0.90a*
C	C	Fidelity Calif Tax-Free Insured/Fidelity	9.0	12.6	5.8	198	68	none	0.66
C	B	Fidelity Calif Tax-Free High Yield/Fidelity	8.8	10.9	6.3	539	5	none	0.59
D	B	Fidelity Mass Tax-Free High Yield/Fidelity	8.9	11.1	6.3	1,165	45	none	0.58
C	B	Fidelity Mich Tax-Free High Yield/Fidelity	9.2	12.6	6.4	423	33	none	0.62
C	C	Fidelity Minnesota Tax-Free/Fidelity	8.6	9.2	6.3	258	37	none	0.72
C	B	Fidelity NY Tax-Free High Yield/Fidelity	9.0	12.6	6.2	425	12	none	0.61
C	B	Fidelity NY Tax-Free Insured/Fidelity	9.0	12.0	5.9	327	29	none	0.62
C	D	Fidelity Ohio Tax-Free High Yield/Fidelity	8.1	11.6	6.3	362	34	none	0.64
D	A	Fidelity Tax-Free–Aggressive/Fidelity	9.4	12.2	7.2	721	23	none	0.69
C	B	Fidelity Tax-Free–High Yield/Fidelity	9.4	10.3	6.5	2,072	12	none	0.56
B	C	Fidelity Tax-Free–Insured/Fidelity	9.0	11.4	6.0	338	39	none	0.65
D	A	Fidelity Tax-Free–Ltd Term Munis/Fidelity	7.9	10.4	6.2	819	56	none	0.68
B	C	Fidelity Tax-Free–Municipal Bond/Fidelity	9.2	12.0	6.1	1,199	11	none	0.50
A+	F	Financial Tax-Free Income Shs/Invesco	10.2	12.8	5.9	272	31	none	*1.03*
D	B	First Investors Insured Tax-Ex/First Inv	8.6	10.6	6.6	1,281	12	6.90	*1.21*
C	C	First Investors NY Insured T-F/First Inv	8.6	11.7	6.0	174	13	6.90	*1.31*
		Flagship Tax-Ex–All-American/Flagship	—*	14.2	6.6	135	57	4.20	*0.58a*
		Flagship Tax-Ex–Conn Double/Flagship	—*	11.7	6.2	145	40	4.20	*0.65*
		Flagship Tax-Ex–Florida Double/Flagship	—*	13.3	6.5	295	105	4.20	*0.45a*
A	D	Flagship Tax-Ex–Kentucky Triple/Flagship	9.8	12.0	6.3	215	48	4.20	*0.62*
		Flagship Tax-Ex–Limited Term/Flagship	—*	10.6	6.0	305	276	2.50	*0.56a*
A	D	Flagship Tax-Ex–Michigan Triple/Flagship	9.1	12.1	6.2	186	35	4.20	*0.81*
A	D	Flagship Tax-Ex–NC Triple/Flagship	9.0	11.6	6.0	135	25	4.20	*0.98*
A	D	Flagship Tax-Ex–Ohio Double/Flagship	9.1	12.0	6.2	334	24	4.20	*0.95*
		Flagship Tax-Ex–Tenn Double/Flagship	—*	11.5	6.1	133	41	4.20	*0.84*
D	A	Fortress Municipal Income/Federated	8.6	10.9	6.2	229	83	2.00b	*1.02a*

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/87 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
		Franklin Alabama Tax-Free Income/Franklin	—*	11.2%	6.5%	$113	75%	4.00%	$0.68
		Franklin Arizona Tax-Free Income/Franklin	—*	10.9	6.4	617	27	4.00	0.56
B	C	Franklin Calif Insured T-F Income/Franklin	8.9%	10.4	6.3	968	105	4.00	0.53
D	A	Franklin Calif Tax-Free Income/Franklin	8.7	10.9	6.9	12,793	9	4.00	0.49
		Franklin Colo Tax-Free Income/Franklin	—*	11.3	6.4	124	49	4.00	0.68
		Franklin Conn Tax-Free Income/Franklin	—*	10.9	6.3	102	72	4.00	0.69
B	B	Franklin Federal Tax-Free Income/Franklin	9.6	12.3	7.1	5,446	22	4.00	0.51
		Franklin Florida Tax-Free Income/Franklin	—*	11.5	6.7	960	36	4.00	0.54
C	A	Franklin High Yield Tax-Free Income/Franklin	9.9	11.6	7.8	2,368	30	4.00	0.53
B	C	Franklin Insured Tax-Free Income/Franklin	9.4	11.0	6.5	1,275	40	4.00	0.53
B	C	Franklin Mass Insured T-F Income/Franklin	8.9	10.9	6.3	234	35	4.00	0.64
B	C	Franklin Mich Insured T-F Income/Franklin	9.2	11.1	6.4	743	32	4.00	0.59
C	C	Franklin Minn Insured T-F Income/Franklin	9.0	10.6	6.3	385	26	4.00	0.65
		Franklin Missouri Tax Free Income/Franklin	—*	11.3	6.3	127	67	4.00	0.66
		Franklin NJ Tax-Free Income/Franklin	—*	11.1	6.1	358	23	4.00	0.60
C	A	Franklin NY Tax-Free Income/Franklin	9.4	13.7	6.8	3,648	17	4.00	0.50
		Franklin NC Tax-Free Income/Franklin	—*	10.6	6.3	122	89	4.00	0.67
B	C	Franklin Ohio Insured T-F Income/Franklin	9.2	10.7	6.4	463	47	4.00	0.62
		Franklin Oregon Tax-Free Income/Franklin	—*	10.7	6.2	236	57	4.00	0.62
B	C	Franklin Penn Tax-Free Income/Franklin	9.2	12.2	6.6	426	27	4.00	0.59
C	C	Franklin PR Tax-Free Income/Franklin	8.8	10.8	6.2	120	13	4.00	0.69
		Franklin Texas Tax-Free Income/Franklin	—*	11.2	6.7	128	79	4.00	0.65
		Franklin Virginia Tax-Free Income/Franklin	—*	11.2	6.4	169	59	4.00	0.64
A+	D	Freedom Inv–Managed Tax-Ex-A/Hancock	9.7	11.5	5.8	231	29	4.50	*0.78*
		General Calif Municipal Bond/Dreyfus	—*	12.5	6.5	351	66	none	*0.21a*
A	C	General Municipal Bond/Dreyfus	10.4	14.4	6.9	927	122	none	*0.01a*
D	A	General NY Municipal Bond/Dreyfus	8.1	14.4	6.4	292	93	none	*0.55a*
		GW Sierra–Calif Muni Income/Gt Western	—*	10.5	6.2	307	52	4.50	*0.85*
		GW Sierra–Natl Municipal Income/Gt Western	—*	15.4	6.5	226	404	4.50	*0.74*
B	D	John Hancock Tax-Exempt Income/Hancock	8.9	12.2	5.9	459	16	4.50	*1.27*
D	A	Hawaiian Tax-Free Trust/Aquila	8.2	10.3	6.3	504	22	4.00	0.70
C	C	IDS California Tax-Exempt Fund/IDS	8.9	11.5	6.0	222	20	5.00	0.62
C	B	IDS High Yield Tax-Exempt Fund/IDS	9.1	12.1	6.9	5,797	17	5.00	0.60
B	C	IDS Insured Tax-Exempt Fund/IDS	9.2	12.3	5.9	308	58	5.00	0.67
C	B	IDS Minnesota Tax-Exempt Fund/IDS	8.8	11.1	6.3	314	34	5.00	0.63
B	D	IDS Tax-Exempt Bond Fund/IDS	8.6	11.1	5.8	1,267	11	5.00	0.65
B	D	Kemper California Tax-Free Inc/Kemper	8.8	11.5	6.1	1,160	27	4.50	0.64
		Kemper Florida Tax-Free Inc/Kemper	—*	6.8	6.4	105	327	4.50	0.67a

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
A	D	Kemper Municipal Bond Fund/Kemper	9.2%	12.7%	6.1%	$2,936	27%	4.50%	$0.50
		Kemper Municipal Income Trust/closed-end	—*	15.2	7.0	456	8	NA	0.72
C	D	Kemper New York Tax-Free Fund/Kemper	8.2	12.9	6.1	281	30	4.50	0.66
		Kemper Strategic Municipal Inc/closed-end	—*	11.6	6.8	122	4	NA	0.77
D	B	Keystone America Tax-Free Inc/Keystone	7.8	11.0	6.0	130	-6	4.75	*1.21*
C	D	Keystone Tax-Exempt Trust/Keystone	8.5	11.2	6.1	693	16	4.00b	*1.91*
C	C	Keystone Tax-Free Fund/Keystone	8.5	11.5	6.4	1,174	10	†	*1.75*
C	B	Liberty Advantage Tax-Free Bond/Liberty	9.1	11.0	6.0	145	182	4.50	0.55a
F	A+	Limited Term Municipal–Natl/Thornburg	7.4	8.4	6.0	519	67	2.75	*1.06*
B	B	Lord Abbett Calif Tax-Free Inc/Lord Abbett	9.8	13.5	6.1	207	69	4.75	*0.75a*
B	C	Lord Abbett Tax-Free Inc–Natl/Lord Abbett	9.8	12.7	6.2	509	42	4.75	*0.86*
		Lord Abbett Tax-Free Inc–NJ/Lord Abbett	—*	13.0	6.6	105	156	4.75	*0.00a*
C	B	Lord Abbett Tax-Free Inc–NY/Lord Abbett	9.6	13.2	6.3	284	36	4.75	*0.74*
B	C	Lutheran Brotherhood Muni Bond/Lutheran	9.3	12.4	6.4	480	20	5.00	0.83
D	C	MainStay–Tax-Free Bond/NYLife	7.6	11.6	5.9	271	67	5.00b	*1.24*
C	C	Merrill Lynch Calif Muni Bond-A/ML Funds	8.3	10.9	6.1	754	6	4.00	0.64
		Merrill Lynch Fla Muni Bond-A/ML Funds	—*	11.8	6.5	187	113	4.00	0.48a
C	C	Merrill Lynch Muni–High Yield-A/ML Funds	9.1	13.1	6.7	1,564	6	4.00	0.55
B	C	Merrill Lynch Muni–Insured-A/ML Funds	9.2	12.1	6.3	2,769	10	4.00	0.45
F	A+	Merrill Lynch Muni–Ltd Maturity/ML Funds	6.1	6.9	5.1	613	75	0.75	0.40
D	C	Merrill Lynch Municipal Income-A/ML Funds	7.0	10.6	6.0	115	12	2.00	0.87
B	C	Merrill Lynch NY Muni Bond-A/ML Funds	8.6	13.5	6.2	608	9	4.00	0.67
B	D	MetLife-State Street Tax-Exempt/State St	9.0	12.7	5.6	153	62	4.50	*1.25a*
B	C	MFS California Municipal Bond/MFS	8.9	11.7	6.2	211	119	4.75	*0.40a*
D	A	MFS High Yield Muni Bond/MFS	7.6	10.2	8.3	679	7	†	1.03
D	B	MFS Lifetime Municipal Bond/MFS	8.2	10.6	5.5	429	10	6.00b	*2.04*
C	C	MFS M-S Muni Bond–Maryland/MFS	8.3	9.4	6.2	129	19	4.75	*1.16*
C	C	MFS M-S Muni Bond–Mass/MFS	8.3	10.9	6.5	256	16	4.75	*1.06*
		MFS M-S Muni Bond–New York/MFS	—*	12.4	6.2	101	100	4.75	*0.61a*
D	C	MFS M-S Muni Bond–North Carolina/MFS	8.0	9.5	6.0	348	32	4.75	*1.09*
C	C	MFS M-S Muni Bond–South Carolina/MFS	8.5	10.4	5.9	116	36	4.75	*1.15*
C	B	MFS M-S Muni Bond–Virginia/MFS	8.5	10.1	6.1	352	17	4.75	*1.08*
A	D	MFS Municipal Bond/MFS	9.3	13.2	6.1	1,875	19	4.75	0.58
D	A+	MFS Municipal Income Trust/closed-end	8.0	9.0	8.1	325	2	NA	1.28
		Municipal High Income Fund/closed-end	—*	10.0	7.5	178	5	NA	0.90
		MuniEnhanced Fund/closed-end	—*	16.7	7.2	494	6	NA	0.70
		MuniVest Fund/closed-end	—*	15.8	7.7	868	5	NA	0.65
A	D	Mutual of Omaha Tax-Free Inc/Mutual of Omaha	9.7	12.7	6.0	436	15	4.75	*0.87*

*Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
D	B	National Calif Tax-Exempt Bonds/National Secs	8.9%	10.6%	6.6%	$143	12%	4.75%	*$0.83*
B	C	National Securities T-E Bonds/National Secs	9.3	11.9	6.9	113	18	4.75	*0.87*
B	D	Nationwide Tax-Free Income[1]/Nationwide	8.4	11.6	5.7	155	44	5.00b	*0.97a*
A	F	New York Muni Fund/Fundamental	8.2	19.5	5.0	190	10	none	*1.72*
A	D	Nuveen Calif Insured T-F Value/Nuveen	9.5	12.7	5.8	120	60	4.75	0.64
		Nuveen Calif Invest Quality Muni/closed-end	—*	15.7	6.6	284	6	NA	0.76
		Nuveen Calif Muni Market Oppor/closed-end	—*	14.5	6.6	174	5	NA	0.82
	—	Nuveen Calif Muni Value/closed-end	—*	9.7	6.4	193	3	NA	0.79
		Nuveen Calif Performance Plus Muni/closed-end	—*	14.9	6.6	277	5	NA	0.78
		Nuveen Calif Select Quality Muni/closed-end	—*	12.7	6.0	480	55	NA	0.81
B	B	Nuveen Calif Tax-Free Value[2]/Nuveen	9.3	11.2	6.2	146	36	4.75	0.67
		Nuveen Florida Invest Quality Muni/closed-end	—*	14.0	6.6	347	5	NA	0.78
A	C	Nuveen Insured Muni Bond[3]/Nuveen	10.2	12.8	6.0	378	79	4.75	0.71
		Nuveen Insured Quality Municipal/closed-end	—*	15.6	6.8	823	6	NA	0.78
		Nuveen Invest Quality Muni/closed-end	—*	15.0	7.3	788	5	NA	0.74
		Nuveen Municipal Advantage Fund/closed-end	—*	15.3	7.2	931	5	NA	0.74
C	B	Nuveen Municipal Bond Fund/Nuveen	9.4	11.0	6.2	1,967	27	4.75	0.61
		Nuveen Municipal Market Oppor/closed-end	—*	15.2	7.2	983	5	NA	0.73
B	B	Nuveen Municipal Value Fund/closed-end	10.0	11.8	6.7	1,733	5	NA	0.73
		Nuveen NJ Invest Quality Muni/closed-end	—*	13.1	6.4	256	5	NA	0.80
B	C	Nuveen NY Insured T-F Value/Nuveen	9.3	12.9	5.9	215	112	4.75	0.68
		Nuveen NY Invest Quality Muni/closed-end	—*	16.8	6.7	380	7	NA	0.80
		Nuveen NY Muni Market Oppor/closed-end	—*	18.0	6.8	130	8	NA	0.84
		Nuveen NY Muni Value/closed-end	—*	13.3	6.4	122	6	NA	0.85
		Nuveen NY Performance Plus Muni/closed-end	—*	18.2	6.8	158	7	NA	0.80
		Nuveen NY Select Quality Muni/closed-end	—*	13.9	5.8	486	57	NA	0.83
A	D	Nuveen Ohio Tax-Free Value/Nuveen	9.8	12.2	6.1	102	44	4.75	0.72
		Nuveen Penn Invest Quality Muni/closed-end	—*	15.2	6.6	186	6	NA	0.83
		Nuveen Performance Plus Muni/closed-end	—*	15.0	6.9	1,265	6	NA	0.73
		Nuveen Premium Income Muni/closed-end	—*	13.8	7.1	1,178	5	NA	0.78
		Nuveen Quality Income Municipal/closed-end	—*	12.7	5.6	1,185	69	NA	0.78
		Nuveen Select Quality Municipal/closed-end	—*	15.2	6.7	735	6	NA	0.79
		Oppenheimer Calif Tax-Exempt/Oppenheimer	—*	11.0	6.0	175	55	4.75	*0.73a*
D	B	Oppenheimer New York Tax-Exempt/Oppenheimer	8.2	12.8	6.5	477	53	4.75	*0.97*
C	B	Oppenheimer Tax-Free Bond/Oppenheimer	8.8	12.2	6.4	440	41	4.75	*0.89*
		Overland Express Calif T-F Bond/Overland	—*	11.5	6.3	358	27	4.50	0.56a
D	B	Pacific Horizon–Calif T-E Bond/Pacific	8.3	11.6	5.8	159	37	4.50	*1.01a*
		Pacifica California Tax-Free Fund/Furman Selz	—*	10.4	5.5	189	54	4.50	*0.78a*

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
C	B	PaineWebber California T-F Inc-A/PaineWebber	9.0%	10.5%	6.0%	$262	18%	4.00%	*$0.91*
B	D	PaineWebber National T-F Inc-A/PaineWebber	8.5	11.0	6.1	403	13	4.00	*0.91*
		Parkstone Michigan Muni Bond/Winsbury	—*	9.7	4.9	147	63	4.00	0.75a
		Parkstone Municipal Bond/Winsbury	—*	9.1	4.9	131	34	4.00	0.71a
		Pierpont Tax-Exempt Bond/TBC	—*	10.1	6.6	336	99	none	0.78a
		Piper Jaffray Minnesota Tax-Exempt/Piper	—*	11.3	6.0	120	56	4.00	*0.92*
B	B	Premier Calif Muni Bond/Dreyfus	9.8	11.9	6.3	219	11	4.50	*0.47a*
A	C	Premier Municipal Bond/Dreyfus	10.1	14.2	6.6	418	55	4.50	*0.54a*
B	C	Premier State Muni–Conn/Dreyfus	9.3	11.3	6.2	298	50	4.50	*0.52a*
A	C	Premier State Muni–Fla/Dreyfus	10.5	12.1	6.5	254	34	4.50	*0.52a*
B	C	Premier State Muni–Md/Dreyfus	9.7	12.1	6.2	271	42	4.50	*0.53a*
A	C	Premier State Muni–Mich/Dreyfus	10.1	12.9	6.3	152	27	4.50	*0.53a*
B	C	Premier State Muni–Minn/Dreyfus	9.7	11.4	6.4	127	35	4.50	*0.53a*
B	B	Premier State Muni–Ohio/Dreyfus	10.1	12.3	6.3	254	33	4.50	*0.52a*
		Premier State Muni–Penn/Dreyfus	—*	13.1	6.6	169	39	4.50	*0.56a*
C	D	T Rowe Price Calif T-F Income Bond/Price	8.2	12.4	5.8	120	31	none	0.65a
C	C	T Rowe Price Maryland T-F Bond/Price	8.5	11.5	5.8	558	53	none	0.63
D	A	T Rowe Price Tax-Free High Yield/Price	9.3	11.8	6.8	705	29	none	0.82
C	D	T Rowe Price Tax-Free Income Fund/Price	7.9	12.3	6.1	1,301	13	none	0.62
F	A	T Rowe Price T-F Short Intermed/Price	6.1	7.3	5.1	362	42	none	0.65
C	D	Prudential Calif Muni–Calif-A/Prudential	7.7	11.9	6.1	184	8	4.50	*0.84*
		Prudential Calif Muni–Income-A/Prudential	—*	11.8	7.0	126	116	4.50	*0.00a*
		Prudential Muni Bond–High Yield-A/Prudential	—*	11.8	7.1	686	-7	4.50	*0.87*
		Prudential Muni Bond–Insured-A/Prudential	—*	11.7	5.8	696	19	4.50	*0.88*
		Prudential Muni Ser–New Jersey-A/Prudential	—*	12.3	6.1	307	30	4.50	*0.44a*
C	C	Prudential Muni Ser–New York-A/Prudential	8.2	13.6	6.1	316	10	4.50	*0.74*
B	D	Prudential Muni Ser–Ohio-A/Prudential	7.9	11.8	6.1	101	10	4.50	*0.81*
B	F	Prudential Muni Ser–Penn-A/Prudential	8.3	12.8	5.9	204	22	4.50	*0.79*
B	D	Prudential Natl Municipals-A/Prudential	8.2	13.5	5.9	845	-1	4.50	*0.90*
B	B	Putnam Calif Tax-Exempt Income/Putnam	9.6	12.0	6.4	2,729	29	4.75	0.65
		Putnam Florida Tax-Exempt Income/Putnam	—*	12.6	6.7	196	80	4.75	1.05
		Putnam High Yield Municipal Trust/closed-end	—*	12.6	8.9	233	29	NA	1.13
		Putnam Investment Grade Muni/closed-end	—*	19.7	7.2	379	7	NA	1.46
		Putnam Managed Municipal Income/closed-end	—*	16.9	7.7	603	6	NA	1.33
		Putnam Mass Tax-Exempt Inc II/Putnam	—*	13.6	6.7	154	285	4.75	*1.29*
		Putnam Muni Income[1]/Putnam	—*	13.4	7.7	359	36	4.75	*1.21*
		Putnam New Jersey Tax-Exempt Inc/Putnam	—*	11.6	6.6	159	60	4.75	*1.21*
A	D	Putnam New York Tax-Exempt Income/Putnam	9.7	14.6	6.5	1,842	22	4.75	*0.94*

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/87 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
C	C	Putnam Ohio Tax-Exempt Income II[1]/Putnam	8.6%	10.5%	5.9%	$144	562%	4.75%	*$1.62*
		Putnam Penn Tax-Exempt Income/Putnam	—*	12.9	6.7	107	75	4.75	0.95
A+	D	Putnam Tax-Exempt Income/Putnam	10.0	14.9	6.6	1,741	23	4.75	*0.72*
D	A	Putnam Tax-Free Income–High Yld/Putnam	8.3	12.3	6.9	947	32	5.00b	*1.52*
C	C	Putnam Tax-Free Income–Insured/Putnam	8.6	11.3	5.2	444	26	5.00b	*1.84*
D	A+	Rochester Fund Municipals/Rochester	10.4	12.8	6.9	687	87	4.00	*0.90*
A+	D	Safeco Municipal Bond Fund/Safeco	9.9	13.3	6.2	473	32	none	0.54
A	D	Scudder Calif Tax-Free Fund/Scudder	9.5	13.5	5.7	258	20	none	0.81
A	D	Scudder High Yield Tax-Free/Scudder	9.7	13.2	5.7	178	26	none	1.00a
A	D	Scudder Managed Muni Bonds/Scudder	9.6	11.9	5.3	813	10	none	0.64
A+	F	Scudder Massachusetts Tax-Free/Scudder	9.0	22.9	6.2	156	109	none	0.48a
F	A+	Scudder Medium Term Tax-Free/Scudder	6.9	11.6	6.1	479	251	none	0.00a
A	D	Scudder New York Tax-Free/Scudder	9.3	15.1	5.8	171	19	none	0.87
		Seligman Select Municipal/closed-end	—*	15.2	6.9	233	5	NA	0.90
A	D	Seligman Tax-Exempt–Mass/Seligman	8.8	12.0	6.3	126	11	4.75	0.77
A	D	Seligman Tax-Exempt–Michigan/Seligman	9.2	11.9	5.9	141	14	4.75	0.77
C	D	Seligman Tax-Exempt–Minnesota/Seligman	8.2	8.5	6.2	156	-12	4.75	0.79
A+	F	Seligman Tax-Exempt–National/Seligman	9.0	11.3	6.0	133	-1	4.75	0.77
B	D	Seligman Tax-Exempt–Ohio/Seligman	9.1	11.5	6.0	168	13	4.75	0.76
C	B	Shearson Calif Municipals/Shearson	9.1	12.2	6.5	383	12	5.00	0.65
C	B	Shearson Income–Tax-Ex Income/Shearson	8.7	11.3	6.1	818	31	5.00b	*1.44*
B	C	Shearson Managed Municipals/Shearson	9.4	14.0	6.6	1,654	10	5.00	0.59
		Shearson NJ Municipals/Shearson	—*	12.6	6.2	100	36	5.00	0.67a
D	A	Shearson NY Municipals/Shearson	9.0	12.4	6.8	502	15	5.00	0.64
		Sit New Beginning T-F Income/Sit	—*	9.0	7.1	193	122	none	0.80a
B	C	Smith Barney Muni Bond–Calif/Smith Barney	9.3	12.1	6.1	137	34	4.00	0.38a
		Smith Barney Muni Bond–Ltd Term/Smith Barney	—*	9.1	6.3	191	108	2.00	0.49a
B	B	Smith Barney Muni Bond–Natl/Smith Barney	10.1	12.9	6.8	295	40	4.00	0.50a
		Spartan California Muni High Yield/Fidelity	—*	12.2	6.2	504	60	none	0.40a
		Spartan Conn Muni High Yield/Fidelity	—*	10.9	6.2	404	37	none	0.55a
		Spartan Municipal Income/Fidelity	—*	11.7	6.7	835	89	none	0.34a
		Spartan New Jersey Muni High Yield/Fidelity	—*	11.8	6.2	333	37	none	0.55
		Spartan New York Muni High Yield/Fidelity	—*	14.0	6.2	318	74	none	0.38a
A	D	Spartan Penn Muni High Yield/Fidelity	9.6	12.3	6.6	218	34	none	0.55
F	A	Spartan Short-Intermediate Muni/Fidelity	6.0	7.9	5.3	461	408	none	0.55a
D	A	SteinRoe High Yield Municipals/Stein Roe	9.5	9.0	6.8	411	10	none	0.69
D	A	SteinRoe Intermediate Munis/Stein Roe	7.5	10.3	5.2	165	39	none	0.79
B	B	SteinRoe Managed Municipals/Stein Roe	9.4	11.9	6.1	726	11	none	0.64

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
D	B	Strong Municipal Bond Fund/Strong	7.8%	16.7%	6.7%	$170	341%	none	$0.06a
D	A	SunAmerica Tax-Ex-Insured/SunAmerica	8.0	8.1	6.4	101	12	4.75%	*1.25*
		Taurus MuniNewYork Holdings/closed-end	—*	16.5	7.3	108	8	NA	0.83
C	C	Tax-Ex Bond Fund of America/American Funds	8.6	11.3	6.0	870	29	4.75	*0.72*
C	D	Tax-Ex Fund of California/American Funds	8.1	10.4	5.7	138	30	4.75	*0.85*
D	B	Tax-Free Fund of Colorado/Aquila	7.9	10.9	6.1	154	41	4.00	0.48a
C	B	Tax-Free Trust of Arizona/Aquila	9.0	11.4	6.3	238	36	4.00	0.58a
D	B	Tax-Free Trust of Oregon/Aquila	8.9	11.1	5.9	233	34	4.00	0.71
B	D	TNE Tax-Exempt Income/TNE	8.8	12.3	5.7	173	15	4.50	*0.95*
		Transamerica Calif Tax-Free Inc-A/Transamerica	—*	12.3	6.0	206	56	4.75	*0.40*
A+	F	United Municipal Bond Fund/Waddell	10.5	14.6	6.0	861	19	4.25	0.58
D	A	United Municipal High Income/Waddell	8.9	12.7	7.1	251	17	4.25	0.75
		USAA Tax-Exempt–Calif Bond/USAA	—*	11.2	6.2	330	48	none	0.48
B	C	USAA Tax-Exempt–High Yield/USAA	9.5	12.6	6.6	1,754	23	none	0.40
D	A	USAA Tax-Exempt–Intermediate/USAA	8.3	10.7	6.3	1,006	60	none	0.44
F	A+	USAA Tax-Exempt–Short-Term/USAA	6.4	7.4	5.4	737	54	none	0.48
		USAA Tax-Exempt–Virginia/USAA	—*	12.2	6.2	153	94	none	0.50a
D	A	UST Master Tax-Exempt–Intermed/UST	6.9	9.9	5.2	239	71	4.50	0.64
D	B	Value Line Tax-Exempt–High Yld/Value Line	8.6	12.3	6.1	298	6	none	0.58
C	C	Van Kampen Merritt Insured T-F/Van Kampen	9.2	11.5	6.1	905	20	4.90	*0.88*
		Van Kampen Merritt Muni Income/Van Kampen	—*	14.2	7.0	372	70	4.90	*0.59a*
		Van Kampen Merritt Muni Inc Trust/closed-end	—*	18.1	7.4	453	6	NA	1.44
B	B	Van Kampen Merritt Penn T-F Inc/Van Kampen	10.3	12.9	6.5	124	48	4.90	*0.70a*
		Van Kampen Merritt T-F High Inc/Van Kampen	—*	6.8	7.8	614	-1	4.90	*1.09*
A	F	Vanguard California T-F–Ins L-T/Vanguard	9.2	12.2	5.9	750	54	none	0.25
A+	D	Vanguard Muni Bond–High Yield/Vanguard	10.3	14.2	6.8	1,478	32	none	0.22
A	D	Vanguard Muni Bond–Ins L-T/Vanguard	9.9	13.2	6.4	1,903	32	none	0.22
C	B	Vanguard Muni Bond–Intermed/Vanguard	9.2	11.2	5.9	2,861	62	none	0.22
		Vanguard Muni Bond–Ltd Term/Vanguard	—*	8.5	5.2	776	113	none	0.22
A+	F	Vanguard Muni Bond–Long-Term/Vanguard	10.1	13.9	6.7	935	24	none	0.22
F	A+	Vanguard Muni Bond–S-T/Vanguard	6.1	6.2	4.8	966	21	none	0.22
		Vanguard NJ Tax-Free–Ins L-T/Vanguard	—*	11.8	6.0	527	53	none	0.26
A	D	Vanguard New York Insured T-F/Vanguard	9.2	13.6	6.1	515	67	none	0.27
A	D	Vanguard Penn Tax-Free–Ins L-T/Vanguard	9.5	12.7	6.1	1,012	50	none	0.26
D	A	Venture Muni (+) Plus/Venture	8.7	11.9	7.7	114	34	5.00b	*2.40*
D	B	Voyageur Colorado Tax-Free/Voyageur	8.9	11.1	6.2	145	101	3.90	0.82
D	A	Voyageur Minnesota Insured/Voyageur	8.2	11.5	6.2	118	166	4.75	*0.78a*
D	A	Voyageur Minnesota Tax-Free/Voyageur	8.5	10.9	6.9	287	31	4.75	*0.83a*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Rules, page 122. Distributor table, page 194.

Taxable money funds

Remember the good old days when passbook savings accounts yielded about 5%? Today the average money market fund—which, to a large measure, has replaced the old fashioned savings account—has an average 30-day return of only 3.6%. Don't blame the funds. Three-month U.S. Treasury bills now yield 3.2%. There's not much a smart money manager can do to boost the yield.

At a time when gross returns on money are down, it becomes all the more important to pay close attention to the one variable under the fund company's control, and that is the expense ratio. An expensive money market fund rakes off upwards of 1% a year in management fees and overhead costs. That's a third of what the government is paying for your money via the T bill.

Why not just compare funds on the basis of their net yields? Because some funds take slightly larger chances with your money. Although risk of principal loss is very small, it is present. Portfolio managers incur it by stretching out their maturities and by buying commercial bank or corporate paper that doesn't have the complete safety of a T bill. By doing so, they can boost their gross yields enough to overcome an excessive management fee.

Our recommendation: Pay a lot of attention to expenses and ignore the quoted yields. To make the accompanying list a fund had to have at least $500 million in assets and an expense ratio of 0.7% a year or less—that's 70 cents on every $100 invested.

The next thing to consider after expense ratios is convenience. Features such as checking privileges, money wiring, or credit card tie ins may help determine your choice. Caution: Some funds charge separately for these services, and these à la carte fees aren't reflected in the published expense ratio.

Some of the more attractive expense ratios are on funds whose sponsors are temporarily absorbing a portion of their expenses (marked "a"). These funds could raise their expense rates on short notice.

Fund/distributor	Assets 6/30/92 ($mil)	30-day yield[1]	Annual expenses per $100
■ Benham Government Agency/Benham	$811	3.4%	$0.30
Alex Brown Cash Reserve–Prime/Brown	1,121	3.4	*0.62*
■ Capital Preservation Fund/Benham	3,108	3.3	0.52
Cash Mgmt Trust of America/American Funds	2,175	3.2	*0.61*
CoreFund–Cash Reserve/Fairfield	568	3.7	0.37a
Dean Witter/Sears Liquid Asset/Dean Witter	9,389	3.4	*0.66*
■ Dreyfus 100% US Treasury MM/Dreyfus	3,672	3.7	0.14a
Dreyfus Worldwide Dollar MM/Dreyfus	6,927	3.9	0.23a
Fidelity Cash Reserves/Fidelity	10,152	3.6	0.58
Fidelity Daily Income Trust/Fidelity	2,520	3.6	0.56
■ Fidelity US Treasury Inc/Fidelity	1,044	3.8	0.20a
Kemper Money Market–Govt Secs/Kemper	985	3.7	0.43
Kemper Money Market–MM/Kemper	5,728	3.5	0.48
Merrill Lynch Ready Assets/ML Funds	7,998	3.6	*0.62*
Pacific Horizon–Prime/Pacific	1,166	3.7	0.55
Pacific Horizon–Treasury/Pacific	1,914	3.4	0.56
PaineWebber Cashfund/PaineWebber	3,897	3.5	0.62
Parkstone Prime Obligations/Winsbury	691	3.5	0.63a
■ T Rowe Price US Treasury Money/Price	588	3.2	0.66
Prime Value–Altura Cash Inv/Forum	1,348	3.9	0.50
Prime Value–US Govt/Forum	578	3.6	0.45a
Prudential Govt Secs–MM/Prudential	1,091	3.5	*0.65*
Rodney Square–MM/Rodney Sq	756	3.6	*0.52*
Spartan Money Market/Fidelity	5,078	3.9	0.34
■ Spartan US Government MM/Fidelity	1,362	3.9	0.45a
■ Spartan US Treasury MM/Fidelity	2,469	3.7	0.20a
USAA Mutual–Money Market/USAA	932	3.8	0.49
UST Master Funds–Govt Money/UST	1,112	3.6	0.50
UST Master Funds–Money/UST	778	3.6	0.51
Vanguard MM Reserves–Federal/Vanguard	1,917	3.7	0.30
Vanguard MM Reserves–Prime/Vanguard	12,814	3.7	0.30
■ Vanguard MM Reserves–US Treas/Vanguard	2,238	3.6	0.30

■ Dividend exempt from state tax in states that permit flow-through of U.S. government interest. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. [1]As of 6/30/92.

Rules, page 122. Distributor table, page 194.

Tax-free money funds

Should you buy a taxable or a tax-free money market? For those in a lower bracket and a low- or no-tax state, the answer is to go with the taxable fund. For high bracket investors, the answer is: Don't kill yourself to get into a tax-free fund. It may not make much difference to your bottom line.

Consider a high bracket New York City resident. The latest one-month yield on the Fidelity U.S. Treasury fund—which is exempt from New York City and New York State taxes—is 3.8%. Assuming this rate holds for the year, after federal taxes at 32%, the net return would be 2.6%. Alternatively, he might have used the Fidelity Tax-Exempt Money Market. After local taxes at an 11.3% rate, but giving effect to the federal tax benefit for a deduction for local taxes, the tax-free fund's return would have been 2.6%.

If you decide from this illustration that a tax-free fund isn't worth the bother, consider getting a taxable money fund that is exempt from state and city income tax. In the table on the page opposite, the eight funds with square bullets in front of their names pay dividends that are exempt from state tax in every state except Pennsylvania, which refuses to exempt the dividends.

If you do choose to hold your short-term cash in a tax-free fund, follow the same rule of thumb that applies to taxable funds: The smartest thing to look for is a low expense ratio. To qualify for this list a tax-free money market fund had to have at least $100 million in assets and an expense ratio below 0.6%. The "a" next to the expense ratio is a warning that the sponsor is temporarily reducing the fees it charges and could raise them at any time.

Also watch out for transaction fees. For example, the six Fidelity Spartan Funds listed here, all of which are temporarily absorbing expenses, charge for services like checking. Such funds may be suitable for investment but not as a primary checking account. Another drawback: The Spartan funds also require at least a $20,000 minimum investment.

Fund/distributor	Assets 6/30/92 ($mil)	30-day yield[1]	Annual expenses per $100
AMEX Municipal MM/Shearson	$3,316	2.5%	$0.58
AMEX New York Municipal MM/Shearson	548	2.4	0.59
Benham Calif Tax-Free–MM/Benham	313	2.5	0.56
Benham Calif Tax-Free–Muni MM/Benham	256	3.0	0.00a
Dreyfus Connecticut Muni MM/Dreyfus	208	2.7	0.03a
Dreyfus NJ Muni MM/Dreyfus	799	2.6	0.17a
Dreyfus Penn Muni MM/Dreyfus	120	2.9	0.00a
Evergreen Tax Exempt MM/Lieber	414	3.1	0.32a
Federated Tax-Free Trust/Federated	1,703	2.6	0.46
Fidelity Connecticut Muni MM/Fidelity	371	2.4	0.30a
Fidelity Michigan Municipal MM/Fidelity	172	2.5	0.40a
Fidelity Ohio Municipal MM/Fidelity	253	2.8	0.55a
Fidelity Tax-Exempt MM/Fidelity	2,677	2.8	0.48
General Calif Municipal MM/Dreyfus	549	2.9	0.02a
General NY Municipal MM/Dreyfus	582	2.4	0.09a
Kemper Money Market–Tax-Exempt/Kemper	807	2.9	0.38
Nuveen Tax-Exempt MM/Nuveen	1,764	2.6	0.40
Parkstone Tax-Free Fund/Winsbury	142	2.4	0.54
Spartan Calif Municipal MM/Fidelity	929	3.0	0.25a
Spartan Mass Municipal MM/Fidelity	279	2.7	0.02a
Spartan Muni Money/Fidelity	1,220	3.2	0.20a
Spartan New Jersey Muni MM/Fidelity	341	2.9	0.24a
Spartan New York Municipal MM/Fidelity	468	2.6	0.37a
Spartan Pennsylvania Muni MM/Fidelity	251	2.7	0.40a
Tax-Free Instruments Trust/Federated	1,404	2.5	0.55a
USAA Tax-Exempt–Calif MM/USAA	220	2.9	0.50
USAA Tax-Exempt–Money Market/USAA	1,403	3.0	0.39
UST Master Tax-Exempt–Short-Term/UST	575	2.7	0.52
Vanguard California T-F–MM/Vanguard	782	2.9	0.25
Vanguard Muni Bond–MM/Vanguard	3,118	3.0	0.22
Vanguard NJ Tax-Free–MM/Vanguard	577	2.9	0.25
Vanguard Penn Tax-Free–MM/Vanguard	764	2.8	0.25

a: Net of absorption of expenses by fund sponsor. [1] As of 6/30/92.

Rules, page 122. Distributor table, page 194.

Fund distributors

Distributors of open-end funds—the funds that are constantly selling and redeeming their shares—are listed here. Call the fund's distributor to get a prospectus, application and, if you are a careful investor, the last annual report and the "statement of additional information." If the fund carries a sales load, a broker supposedly can supply the documents. If the fund is closed-end (e.g., Bergstrom Capital or the Mexico Fund), there is no distributor; you have to get information from a stockbroker.

Fund	Symbol
Balanced	BA
Foreign Stock	FS
Global Bond	GB
Global Stock	GS
Junk Bond	JU
Money Market	MM
Municipal Bond	MU
Stock	ST
Taxable Bond	BD

Fund	Type
AAL Capital Management 222 West College Avenue Appleton, WI 54919-0007 (414) 734-7633 (local); (800) 553-6319	
AAL Bond Fund	BD
AAL Capital Growth Fund	ST
AAL Municipal Bond Fund	MU
ABT Financial Services 205 Royal Palm Way Palm Beach, FL 33480 (800) 289-2281	
ABT Growth & Income Trust	ST
ABT Invest-Emerging Growth	ST
ABT Southern Master-Fla T-F	MU
ABT Utility Income Fund	ST
Acorn Fund Two North LaSalle Street Suite 500 Chicago, IL 60602-3790 (800) 922-6769	
Acorn Fund	ST

Fund	Type
Addison Capital Fund 1601 Market Street Philadelphia, PA 19103 (800) 526-6397	
Addison Capital Fund	ST
Advest Group 280 Trumbull Street Hartford, CT 06103 (203) 525-1421 (local); (800) 243-8115	
Advantage Government Securities	BD
Advantage Growth Fund	ST
Advantage Income Fund	BA
Scottish Widows Intl Fund	FS
Aegon Management 201 Highland Avenue Largo, FL 34640 (800) 624-4339	
Aegon USA Growth	ST
IDEX Fund	ST
IDEX II	ST
IDEX Fund 3	ST

Fund	Type
AIM Distributors Eleven Greenway Plaza Suite 1919 Houston, TX 77046 (713) 626-1919 (local); (800) 347-1919	
AIM Equity-Charter Fund	ST
AIM Equity-Constellation Fund	ST
AIM Equity-Weingarten Fund	ST
AIM Government Securities Fund	BD
AIM Growth Fund	ST
AIM High Yield Fund	JU
AIM Income Fund	BD
AIM Limited Maturity Treasury Shs	BD
AIM Municipal Bond Fund	MU
AIM Summit Fund	ST
AIM Utilities Fund	ST
AIM Value Fund	ST
Fred Alger & Co 30 Montgomery Street Jersey City, NJ 07302 (800) 992-3863	
Alger Fund-Small Capitalization	ST

*Will accept collect calls.

Fund	Type
Alliance Fund Services 500 Plaza Drive Secaucus, NJ 07094 (800) 227-4618	
Alliance Balanced Shares-A	BA
Alliance Bond–High Yield	JU
Alliance Bond–US Government-A	BD
Alliance Counterpoint Fund	ST
Alliance Fund-A	ST
Alliance Global–Small Cap Fund-A	ST
Alliance Growth & Income-A	ST
Alliance International Fund-A	FS
Alliance Mortgage Secs Income-A	BD
Alliance Multi-Market Income	GB
Alliance Multi-Market Strategy-A	GB
Alliance Muni Income–Calif	MU
Alliance Muni Income–Ins Natl	MU
Alliance Muni Income–National	MU
Alliance Muni Income–New York	MU
Alliance New Europe Fund-A	FS
Alliance Quasar Fund-A	ST
Alliance Short-Term Multi-Market	GB
Alliance Technology Fund	ST
Alliance World Income Trust	GB
American Capital Marketing 2800 Post Oak Boulevard Houston, TX 77056 (713) 993-0500 (local); (800) 421-5666	
American Capital Comstock Fund	ST
American Capital Corp Bond Fund	BD
American Capital Emerging Growth-A	ST
American Capital Enterprise Fund-A	ST
American Capital Equity Income-A	BA
American Capital Federal Mortgage-A	BD
American Capital Government Secs-A	BD
American Capital Growth & Income	ST
American Capital Harbor Fund-A	BA
American Capital High Yield Inv	JU
American Capital Muni Bond Fund	MU
American Capital Pace Fund-A	ST
American Capital T-E–High Yield	MU
American Funds Group 333 South Hope Street Los Angeles, CA 90071 (800) 421-0180	
Amcap Fund	ST
American Balanced Fund	BA
American High-Income Trust	JU
American Mutual Fund	ST
Bond Fund of America	BD
Capital Income Builder	ST
Capital World Bond Fund	GB

Fund	Type
Cash Management Trust of America	MM
EuroPacific Growth Fund	FS
Fundamental Investors	ST
Growth Fund of America	ST
Income Fund of America	BA
Intermediate Bond Fund of America	BD
Investment Co of America	ST
New Economy Fund	ST
New Perspective Fund	GS
Smallcap World Fund	GS
Tax-Exempt Bond Fund of America	MU
Tax-Exempt Fund of California	MU
US Government Securities	BD
Washington Mutual Investors	ST
American Growth Fund Sponsors 410 17th Street Suite 800 Denver, CO 80202 (303) 623-6137* (local); (800) 525-2406	
American Growth Fund	ST
American Heritage Corp 31 West 52nd Street New York, NY 10019 (800) 735-1243	
American Heritage Fund	ST
American Investors PO Box 2500 Greenwich, CT 06836 (203) 531-5000 (local); (800) 243-5353	
American Investors Growth Fund	ST
American Pension Distributors PO Box 2529 Lynchburg, VA 24501 (800) 544-6060	
API Trust–Growth	ST
Amway Management Co 7575 East Fulton Road Ada, MI 49355 (800) 346-2670	
Amway Mutual Fund	ST
Analytic Optioned Equity Fund 2222 Martin Street Suite 230 Irvine, CA 92715* (800) 374-2633	
Analytic Optioned Equity Fund	ST
Aquila Distributors 380 Madison Avenue Suite 2300 New York, NY 10017 (800) 228-4227	
Churchill Tax-Free Fund of Kentucky	MU
Hawaiian Tax-Free Trust	MU
Tax-Free Fund of Colorado	MU
Tax-Free Trust of Arizona	MU
Tax-Free Trust of Oregon	MU

Fund	Type
Bailard, Biehl & Kaiser 2755 Campus Drive Suite 300 San Mateo, CA 94403 (800) 882-8383	
Bailard Biehl & Kaiser Diversa Fund	GS
Robert W Baird & Co 777 East Wisconsin Avenue Milwaukee, WI 53202 (414) 765-3500 (local); (800) 792-2473	
Baird Blue Chip Fund	ST
Baird Capital Development Fund	ST
Baron Asset Fund 450 Park Avenue Suite 2802 New York, NY 10022 (800) 992-2766	
Baron Asset Fund	ST
Bartlett Capital Trust 36 East Fourth Street Cincinnati, OH 45202 (513) 621-4612 (local); (800) 800-4612	
Bartlett Capital Trust–Basic Value	ST
Bartlett Capital Trust–Fixed Income	BD
Bartlett Capital Trust–Value Intl	FS
Baxter Financial 1200 North Federal Highway Suite 424 Boca Raton, FL 33432 (800) 749-9933	
Philadelphia Fund	ST
Benham Capital Management 1665 Charleston Road Mountain View, CA 94043 (800) 472-3389 (local); (800) 321-8321	
Benham Calif Tax-Free–Insured	MU
Benham Calif Tax-Free–Intermediate	MU
Benham Calif Tax-Free–Long-Term	MU
Benham Calif Tax-Free–MM	MM
Benham Calif Tax-Free–Muni MM	MM
Benham Equity Growth	ST
Benham GNMA Income	BD
Benham Gold Equities Index	GS
Benham Government Agency Fund	MM
Benham Income & Growth	ST
Benham Target Maturities–2000	BD
Benham Target Maturities–2005	BD
Benham Target Maturities–2015	BD
Benham Treasury Note Fund	BD
Capital Preservation Fund	MM

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Fund	Type
Berger Associates 210 University Boulevard Suite 900 Denver, CO 80206 (800) 333-1001	
Berger One Hundred Fund	ST
Berger One Hundred and One Fund	ST
Sanford C Bernstein & Co 767 Fifth Avenue New York, NY 10153-0185 (212) 756-4097*	
Bernstein Diversified Muni	MU
Bernstein Govt Short Duration	BD
Bernstein Intermediate Duration	BD
Bernstein New York Muni	MU
Bernstein Short Duration Plus	BD
Berwyn Fund 1189 Lancaster Avenue Berwyn, PA 19312 (800) 824-2249	
Berwyn Fund	ST
William Blair 135 South LaSalle Street Chicago, IL 60603 (800) 742-7272 (local); (800) 635-2886	
Wm Blair–Growth	ST
Wm Blair–Income	BD
Boston Co Funds Distributor One Boston Place Boston, MA 02108 (800) 225-5267	
Boston Co Asset Allocation	BA
Boston Co Capital Appreciation Fund	ST
Boston Co Special Growth Fund	ST
Brandywine Fund c/o First Wisconsin Trust Co PO Box 701 Milwaukee, WI 53201-0701 (800) 338-1579	
Brandywine Fund	ST
Alex Brown & Sons 135 East Baltimore Street Baltimore, MD 21202 (800) 767-3524	
Alex Brown Cash Reserve–Prime	MM
Flag Investors Emerging Growth	ST
Flag Investors International Trust	FS
Flag Investors Quality Growth Fund	ST
Flag Investors Telephone Income	ST
Flag Investors Total Return US Treas	BD

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Fund	Type
Bull & Bear Group 11 Hanover Square New York, NY 10005 (800) 847-4200	
Bull & Bear Gold Investors Fund	GS
Bull & Bear Special Equities Fund	ST
Burnham Securities 1345 Avenue of the Americas 32nd Floor New York, NY 10105 (800) 874-3863	
Burnham Fund	ST
California Investment Trust 44 Montgomery Street Suite 2200 San Francisco, CA 94104 (800) 225-8778	
California Tax-Free Income Fund	MU
Calvert Group 4550 Montgomery Avenue Suite 1000 North Bethesda, MD 20814 (800) 368-2748	
Calvert-Ariel Appreciation Fund	ST
Calvert-Ariel Growth Fund	ST
Calvert Social Inv–Equity	ST
Calvert Social Inv–Managed Growth	BA
Calvert Tax-Free Reserves–Limited	MU
Capstone Asset Planning Co PO Box 3167 Houston, TX 77253-3167 (800) 262-6631	
Capstone Government Income Fund	BD
US Trend Fund	ST
Cardinal Group of Funds 155 East Broad Street Columbus, OH 43215 (800) 282-9446 (local), (800) 848-7734	
Cardinal Fund	ST
Cardinal Government Obligations	BD
Carillon Investments PO Box 5304 Cincinnati, OH 45201 (800) 999-1940	
Carillon Inv Trust–Capital Fund	BA
Century Shares Trust One Liberty Square Boston, MA 02109 (617) 482-3060* (local), (800) 321-1928	
Century Shares Trust	ST
Colonial Investment Services One Financial Center 14th Floor Boston, MA 02111 (800) 426-3750	
Colonial California Tax-Exempt-A	MU
Colonial Federal Securities-A	BD
Colonial Fund-A	BA
Colonial Growth Shares Trust-A	ST
Colonial High Yield Securities-A	JU
Colonial Income Fund-A	BD
Colonial Mass Tax-Exempt-A	MU
Colonial Natural Resources Fund-A	GS
Colonial Strategic Income-A	BA
Colonial Tax-Exempt Fund-A	MU
Colonial Tax-Exempt Insured Fund-A	MU
Colonial US Equity Index-A	ST
Colonial US Government Fund-A	BD
Colonial Utilities Fund-A	BA
Columbia Funds Management Co PO Box 1350 Portland, OR 97207-1350 (503) 222-3600 (local), (800) 547-1707	
Columbia Fixed Income Securities	BD
Columbia Growth Fund	ST
Columbia Municipal Bond Fund	MU
Columbia Special Fund	ST
Common Sense Distributors 3120 Breckinridge Boulevard Building 400 Duluth, GA 30199-0001 (800) 544-5445	
Common Sense–Government	BD
Common Sense–Growth	ST
Common Sense–Growth & Income	ST
Comstock Partners Strategy Fund 45 Broadway New York, NY 10006 (212) 943-9100 (local), (800) 334-6899	
Comstock Partners Strategy Fund	BD
Copley Financial Services Corp PO Box 3287 Fall River, MA 02722 (508) 674-8459*	
Copley Fund	ST
Counsellors Securities 466 Lexington Avenue New York, NY 10017-3147 (800) 888-6878	
Counsellors Capital Appreciation	ST
Counsellors Emerging Growth Fund	ST
Counsellors Intermed Maturity Govt	BD
Counsellors International Equity	FS
Country Capital Management Co 1711 GE Road Bloomington, IL 61704 (309) 557-3092 (local), (800) 322-3838	
Country Capital Growth Fund	ST
Cowen & Co 1 Financial Square New York, NY 10005 (212) 495-6000 (local), (800) 221-5616	
Cowen Income + Growth Fund	ST
Craig-Hallum 701 Fourth Avenue South 10th Floor Minneapolis, MN 55415 (800) 331-4923	
General Securities	ST
Dean Witter Reynolds Two World Trade Center InterCapital Division, 71st Floor New York, NY 10048 (800) 869-3863	
Allstate Prime Income Trust	BD
Dean Witter American Value Fund	ST
Dean Witter Calif Tax-Free Income	MU
Dean Witter Capital Growth Secs	ST
Dean Witter Convertible Secs	BA
Dean Witter Developing Growth Secs	ST
Dean Witter Dividend Growth Secs	ST
Dean Witter Equity Income Trust	ST
Dean Witter European Growth Fund	FS
Dean Witter Global S-T Income	GB
Dean Witter Government Secs Plus	BD
Dean Witter High Yield Secs	JU
Dean Witter Intermediate Income	BD
Dean Witter Managed Assets	BA
Dean Witter Natural Resource Devel	ST
Dean Witter NY Tax-Free Income	MU
Dean Witter Pacific Growth Fund	FS
Dean Witter Sears/Liquid Asset	MM
Dean Witter Strategist	BA
Dean Witter Tax-Exempt Securities	MU
Dean Witter US Govt Securities	BD
Dean Witter Utilities Fund	ST
Dean Witter Value-Added Mkt–Equity	ST
Dean Witter World Wide Income	GB
Dean Witter World Wide Investment	GS

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Fund	Type
Delaware Distributors 1818 Market Street Philadelphia, PA 19103-3682 (800) 523-4640	
Delaware Group Decatur Fund I	ST
Delaware Group Decatur Fund II	ST
Delaware Group Delaware Fund	BA
Delaware Group Delcap Fund I	ST
Delaware Group Delchester Fund	JU
Delaware Group Tax-Free USA	MU
Delaware Group Treas Res Intermed	BD
Delaware Group Trend Fund	ST
Delaware Group US Government	BD
Delaware Group Value Fund	ST
DMC Tax-Free Pennsylvania Fund	MU
Diversified Securities PO Box 357 Long Beach, CA 90801 (800) 732-1733	
Investors Research Fund	ST
Dodge & Cox One Sansome Street 35th Floor San Francisco, CA 94104 (415) 434-0311	
Dodge & Cox Balanced Fund	BA
Dodge & Cox Income Fund	BD
Dodge & Cox Stock Fund	ST
Dreyfus Service Corp 144 Glenn Curtiss Boulevard Uniondale, NY 11556-0144 (800) 645-6561	
Dreyfus A Bonds Plus	BD
Dreyfus Appreciation Fund	ST
Dreyfus California Tax-Exempt Bond	MU
Dreyfus Capital Growth	ST
Dreyfus Capital Value Fund	ST
Dreyfus Connecticut Municipal MM	MM
Dreyfus Convertible Securities Fund	BA
Dreyfus Fund	ST
Dreyfus GNMA Fund	BD
Dreyfus Growth Opportunity Fund	ST
Dreyfus Insured Municipal Bond	MU
Dreyfus Intermediate Muni Bond	MU
Dreyfus Massachusetts Tax-Ex Bond	MU
Dreyfus Municipal Bond Fund	MU
Dreyfus New Jersey Municipal Bond	MU
Dreyfus New Jersey Municipal MM	MM
Dreyfus New Leaders Fund	ST
Dreyfus NY Insured Tax-Exempt Bond	MU
Dreyfus NY Tax-Exempt Bond Fund	MU
Dreyfus NY Tax-Exempt Intermed Bond	MU
Dreyfus 100% US Treasury Intermed	BD
Dreyfus 100% US Treasury Long Term	BD
Dreyfus 100% US Treasury MM	MM
Dreyfus Penn Municipal MM	MM
Dreyfus Short-Intermediate Govt	BD
Dreyfus Short-Intermediate Tax-Ex	MU
Dreyfus Strategic Growth LP	ST
Dreyfus Strategic Investing	ST
Dreyfus Strategic World Investing	GS
Dreyfus Third Century Fund	ST
Dreyfus Worldwide Dollar MM	MM
General Calif Municipal Bond	MU
General Calif Municipal MM	MM
General Municipal Bond	MU
General NY Municipal Bond	MU
General NY Municipal MM	MM
Peoples Index Fund	ST
Peoples S&P MidCap Index Fund	ST
Premier California Municipal Bond	MU
Premier GNMA	BD
Premier Municipal Bond	MU
Premier State Municipal–Conn	MU
Premier State Municipal–Florida	MU
Premier State Municipal–Maryland	MU
Premier State Municipal–Michigan	MU
Premier State Municipal–Minnesota	MU
Premier State Municipal–Ohio	MU
Premier State Municipal–Penn	MU
Dupree Investment Advisors PO Box 1149 Lexington, KY 40589 (606) 254-7741 (local); (800) 866-0614	
Dupree–Kentucky Tax-Free Income	MU
Eaton Vance Distributors 24 Federal Street Boston, MA 02110 (800) 225-6265	
Eaton Vance California Municipals	MU
Eaton Vance Equity-Income Trust	ST
Eaton Vance Florida Tax-Free Fund	MU
Eaton Vance Government Obligations	BD
Eaton Vance Growth Fund	ST
Eaton Vance High Income Trust	JU
Eaton Vance Investors Fund	BA
Eaton Vance National Municipals	MU
Eaton Vance New Jersey Tax-Free	MU
Eaton Vance New York Tax-Free	MU
Eaton Vance Penn Tax-Free	MU
Eaton Vance Prime Rate Reserves	BD
Eaton Vance Short-Term Global Fund	GB
Eaton Vance Short-Term Treasury	BD
Eaton Vance Special Equities Fund	ST
Eaton Vance Stock Fund	ST
Eaton Vance Total Return Trust	ST
Eclipse Financial Services PO Box 2196 Peachtree City, GA 30269 (404) 631-0414* (local); (800) 872-2710	
Eclipse Financial Asset–Equity	ST
Enterprise Group 1200 Ashwood Parkway Suite 290 Atlanta, GA 30338 (404) 396-8118* (local); (800) 432-4320	
Enterprise Group–Capital Apprec	ST
Enterprise Group–Growth	ST
Enterprise Group–Growth & Income	ST
Equitable Funds 1221 Avenue of the Americas 32nd Floor New York, NY 10020 (800) 852-6860	
Equitable Funds–Balanced Fund-A	BA
Equitable Funds–Growth-A	ST
Equitable Funds–Growth & Income-A	ST
Equitable Funds–S-T World Income-A	GB
Equity Services National Life Drive Montpelier, VT 05604 (800) 282-3863 (local); (800) 233-4332	
Sentinel Balanced Fund	BA
Sentinel Common Stock Fund	ST
Sentinel Growth Fund	ST
Fairfield Group 200 Gibraltar Road Horsham, PA 19044 (800) 441-3885	
CoreFund–Cash Reserve	MM
CoreFund–International Growth	FS
St Clair Equity–Capital Growth Fund	ST
St Clair Fixed Inc–Intermed Bond	BD
FBL Investment Advisory Services 5400 University Avenue West Des Moines, IA 50265 (515) 225-5400 (local); (800) 247-4170	
FBL–Growth Common Stock	ST
Federated Securities Corp 1001 Liberty Avenue 20th Floor Pittsburgh, PA 15222-3779 (800) 245-5000	
American Leaders Fund	ST
Convertible Securities & Income	BA
Federated Growth Trust	ST
Federated High Yield Trust	JU
Federated Intermediate Municipal	MU
Federated Stock & Bond Fund	BA
Federated Stock Trust	ST

*Will accept collect calls.

Fund	Type
Federated Tax-Free Income Fund	MU
Federated Tax-Free Trust	MM
Fortress Municipal Income Fund	MU
Fortress Utility Fund	ST
Fund for US Govt Securities	BD
Government Income Securities	BD
International Equity Fund	FS
Liberty High Income Bond Fund	JU
Liberty Utility Fund	ST
Salem Funds–Value-Investment	ST
Tax-Free Instruments Trust	MM
Tower–Capital Appreciation	ST
Fidelity Distributors Corp	
Devonshire Street	
Boston, MA 02109	
(800) 544-8888	
Fidelity Advisor Equity–Growth	ST
Fidelity Advisor Equity–Income	ST
Fidelity Advisor Growth Opportunities	ST
Fidelity Advisor High Income Muni	MU
Fidelity Advisor Income & Growth	BA
Fidelity Advisor Limited Term Bond	BD
Fidelity Advisor US Government Inc	BD
Fidelity Asset Manager	BA
Fidelity Balanced Fund	BA
Fidelity Blue Chip Growth Fund	ST
Fidelity Calif Tax-Free Insured	MU
Fidelity Calif Tax-Free High Yield	MU
Fidelity Capital & Income Fund	JU
Fidelity Capital Appreciation	ST
Fidelity Cash Reserves	MM
Fidelity Connecticut Muni MM	MM
Fidelity Contrafund	ST
Fidelity Convertible Securities Fund	BA
Fidelity Daily Income Trust	MM
Fidelity Destiny Portfolio I	ST
Fidelity Destiny Portfolio II	ST
Fidelity Disciplined Equity	ST
Fidelity Emerging Growth Fund	ST
Fidelity Equity-Income Fund	ST
Fidelity Equity-Income Fund II	ST
Fidelity Europe Fund	FS
Fidelity Fund	ST
Fidelity Ginnie Mae	BD
Fidelity Global Bond Fund	GB
Fidelity Government Securities Fund	BD
Fidelity Growth & Income	ST
Fidelity Growth Company	ST
Fidelity Intermediate Bond Fund	BD
Fidelity Intl Growth & Income	FS
Fidelity Investment Grade Bond	BD
Fidelity Low-Priced Stock Fund	ST
Fidelity Magellan Fund	ST
Fidelity Market Index Fund	ST
Fidelity Mass Tax-Free High Yield	MU
Fidelity Michigan Municipal MM	MM
Fidelity Michigan Tax-Free High Yield	MU
Fidelity Minnesota Tax-Free	MU
Fidelity Mortgage Securities	BD

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Valley Forge, Pennsylvania 19482

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Name _____ City/State/Zip _____

Address _____ Phone _____

Fund	Type
Fidelity NY Tax-Free High Yield	MU
Fidelity NY Tax-Free Insured	MU
Fidelity Ohio Municipal MM	MM
Fidelity Ohio Tax-Free High Yield	MU
Fidelity OTC Portfolio	ST
Fidelity Overseas Fund	FS
Fidelity Pacific Basin Fund	FS
Fidelity Puritan Fund	BA
Fidelity Real Estate Investment	ST
Fidelity Retirement Growth	ST
Fidelity Select–American Gold	GS
Fidelity Select–Automotive	ST
Fidelity Select–Biotechnology	ST
Fidelity Select–Chemicals	ST
Fidelity Select–Computers	ST
Fidelity Select–Developing Commun	ST
Fidelity Select–Electric Utilities	ST
Fidelity Select–Energy	ST
Fidelity Select–Energy Service	ST
Fidelity Select–Environment Services	ST
Fidelity Select–Financial Services	ST
Fidelity Select–Food & Agriculture	ST
Fidelity Select–Health Care	ST
Fidelity Select–Industrial Materials	ST
Fidelity Select–Leisure	ST
Fidelity Select–Medical Delivery	ST
Fidelity Select–Prec Metals & Mins	FS
Fidelity Select–Regional Banks	ST
Fidelity Select–Retailing	ST
Fidelity Select–Savings & Loan	ST
Fidelity Select–Software & Computer	ST
Fidelity Select–Technology	ST
Fidelity Select–Telecommunications	ST
Fidelity Select–Utilities	ST
Fidelity Short-Term Bond Portfolio	BD
Fidelity Special Situations-Advisor	ST
Fidelity Stock Selector	ST
Fidelity Tax-Exempt Money Market	MM
Fidelity Tax-Free–Aggressive	MU
Fidelity Tax-Free–High Yield	MU
Fidelity Tax-Free–Insured	MU
Fidelity Tax-Free–Ltd Term Munis	MU
Fidelity Tax-Free–Municipal Bond	MU
Fidelity Trend Fund	ST
Fidelity US Treasury Income	MM
Fidelity Utilities Income	ST
Fidelity Value Fund	ST
Fidelity Worldwide Fund	GS
Spartan California Municipal High Yield	MU
Spartan California Municipal MM	MM
Spartan Connecticut Muni High Yield	MU
Spartan Ginnie Mae Fund	BD
Spartan Government Income Fund	BD
Spartan High Income Fund	JU
Spartan Limited Maturity Govt	BD
Spartan Massachusetts Municipal MM	MM
Spartan Money Market Fund	MM
Spartan Municipal Income	MU
Spartan Municipal Money Fund	MM
Spartan New Jersey Muni High Yield	MU
Spartan New Jersey Municipal MM	MM
Spartan New York Muni High Yield	MU
Spartan New York Municipal MM	MM
Spartan Pennsylvania Muni High Yield	MU
Spartan Penn Municipal MM	MM
Spartan Short-Intermediate Muni	MU
Spartan US Government MM	MM
Spartan US Treasury MM Fund	MM
Fiduciary Management 225 East Mason Street Milwaukee, WI 53202 (414) 226-4556* (local); (800) 338-1579	
Fiduciary Capital Growth Fund	ST
Reynolds Blue Chip Growth Fund	ST
First Eagle Fund of America 45 Broadway New York, NY 10006 (800) 451-3623	
First Eagle Fund of America	ST
First Investors Management Co 95 Wall Street New York, NY 10005 (800) 423-4026	
First Investors Blue Chip	ST
First Investors Fund for Income	JU
First Investors Global Fund	GS
First Investors Government Fund	BD
First Investors High Yield Fund	JU
First Investors Insured Tax-Exempt	MU
First Investors NY Insured Tax-Free	MU
First Investors Total Return Fund	BA
Flagship Financial One First National Plaza Suite 910 Dayton, OH 45402 (800) 227-4648	
Flagship Tax-Ex–All-American	MU
Flagship Tax-Ex–Conn Double	MU
Flagship Tax-Ex–Florida Double	MU
Flagship Tax-Ex–Ky Triple	MU
Flagship Tax-Ex–Limited Term	MU
Flagship Tax-Ex–Michigan Triple	MU
Flagship Tax-Ex–NC Triple	MU
Flagship Tax-Ex–Ohio Double	MU
Flagship Tax-Ex–Tennessee Double	MU
Flex Funds PO Box 7177 Dublin, OH 43017 (800) 325-3539	
Flex-funds–Growth Fund	ST
Flex-funds–Muirfield Fund	ST
Fortis Financial Group PO Box 64284 St Paul, MN 55164 (612) 738-4000 (local); (800) 800-2638	
Fortis Advantage–Asset Allocation	BA
Fortis Advantage–Capital Apprec	ST
Fortis Advantage–Govt Total Return	BD
Fortis Capital Fund	ST
Fortis Fiduciary Fund	ST
Fortis Growth Fund	ST
Fortis US Govt Securities Fund	BD
Forum Financial Services 61 Broadway New York, NY 10006 (800) 237-3113	
Prime Value–Altura Cash Invest	MM
Prime Value–Altura ValuGrowth Stock	ST
Prime Value–US Government	MM
Sound Shore Fund	ST
Founders Asset Management 2930 East Third Avenue Denver, CO 80206 (303) 394-7800 (local); (800) 525-2440	
Founders Blue Chip	ST
Founders Discovery Fund	ST
Founders Frontier Fund	ST
Founders Growth Fund	ST
Founders Special Fund	ST
Founders Worldwide Growth Fund	GS
FPA Fund Distributors 11400 West Olympic Boulevard Suite 1200 Los Angeles, CA 90064 (800) 982-4372	
FPA Capital Fund	ST
FPA Paramount Fund	ST
FPA Perennial Fund	ST
Franklin Distributors 777 Mariners Island Boulevard 6th Floor San Mateo, CA 94404-1585 (800) 342-5236	
Franklin Adj US Govt Securities	BD
Franklin AGE High Income Fund	JU
Franklin Alabama Tax-Free Income	MU
Franklin Arizona Tax-Free Income	MU
Franklin Calif Insured Tax-Free Inc	MU
Franklin Calif Tax-Free Income	MU
Franklin Colorado Tax-Free Income	MU
Franklin Connecticut Tax-Free Income	MU
Franklin DynaTech Fund	ST
Franklin Equity Fund	ST
Franklin Federal Tax-Free Income	MU
Franklin Florida Tax-Free Income	MU
Franklin Global Opportunity Income	GB
Franklin Gold Fund	FS

*Will accept collect calls

Fund	Type
Franklin Growth Fund	ST
Franklin High Yield Tax-Free Income	MU
Franklin Income Fund	BA
Franklin Insured Tax-Free Income	MU
Franklin Mass Insured Tax-Free Inc	MU
Franklin Mich Insured Tax-Free Inc	MU
Franklin Minn Insured Tax-Free Inc	MU
Franklin Missouri Tax Free Income	MU
Franklin NJ Tax-Free Income	MU
Franklin NY Tax-Free Income	MU
Franklin NC Tax-Free Income	MU
Franklin Ohio Insured Tax-Free Income	MU
Franklin Oregon Tax-Free Income	MU
Franklin Penn Tax-Free Income	MU
Franklin PR Tax-Free Income Fund	MU
Franklin Rising Dividends	ST
Franklin Short-Intermed US Govt	BD
Franklin Tax-Advantaged US Govt	BD
Franklin Texas Tax-Free Income	MU
Franklin US Government Securities	BD
Franklin Utilities Fund	ST
Franklin Virginia Tax-Free Income	MU
Fremont Funds 50 Fremont Street Suite 3600 San Francisco, CA 94105 (800) 548-4539	
Fremont Multi Asset Fund	BA
Fundamental Services 90 Washington Street 19th Floor New York, NY 10006 (800) 322-6864	
New York Muni Fund	MU
Furman Selz 230 Park Avenue New York, NY 10169 (800) 662-8417	
Pacifica Asset Preservation Fund	BD
Pacifica Balanced Fund	BA
Pacifica California Tax-Free Fund	MU
Pacifica Equity Value Fund	ST
Pacifica Government Income Fund	BD
Gabelli & Company One Corporate Center Rye, NY 10580-1434 (800) 422-3554	
Gabelli Asset Fund	ST
Gabelli Convertible Securities Fund	BA
Gabelli Growth Fund	ST
Gabelli Value Fund	ST
GAM Funds 135 East 57th Street 29th Floor New York, NY 10022 (212) 888-4200*	
GAM International Fund	FS
GAM Pacific Basin Fund	FS

Fund	Type
Gateway Trust 400 Technecenter Drive Suite 220 Milford, OH 45150 (800) 354-6339	
Gateway Index Plus Fund	ST
Gintel & Co 6 Greenwich Office Park Greenwich, CT 06831 (800) 243-5808	
Gintel Capital Appreciation Fund	ST
Gintel Erisa Fund	ST
Gintel Fund	ST
GIT Investment Services 1655 North Fort Myer Drive Arlington, VA 22209 (800) 336-3063	
GIT Equity Trust–Special Growth	ST
GNA Investors Trust Two Union Square Suite 5600 Seattle, WA 98101-2336 (206) 625-1755* (local); (800) 426-5520	
GNA Investors–US Govt Secs	BD
Goldman Sachs Funds 6060 Sears Tower 60th Floor Chicago, IL 60606 (800) 762-5035	
GS Capital Growth Fund	ST
GS Select Equity Fund	ST
Gradison Mutual Funds 580 Walnut Street Cincinnati, OH 45202 (513) 579-5700* (local); (800) 869-5999	
Gradison Established Growth Fund	ST
Gradison-McDonald Government Inc	BD
Gradison Opportunity Growth Fund	ST
Great Western Sierra Trust Funds 888 South Figueroa Street Suite 1100 Los Angeles, CA 90017 (800) 222-5852	
GW Sierra–California Municipal Inc	MU
GW Sierra–Corporate Income Fund	BD
GW Sierra–Equity Opportunity Fund	ST
GW Sierra–Growth & Income Fund	ST
GW Sierra–Natl Municipal Income	MU
GW Sierra–US Government Securities	BD

Fund	Type
Green Hill Financial Service 290 Westminster Street Providence, RI 02903 (800) 323-4726	
Mutual Benefit Fund	ST
GT Global Financial Services 50 California Street 27th Floor San Francisco, CA 94111 (800) 548-9995	
GT Global Growth–America	ST
GT Global Growth–Europe	FS
GT Global Growth–Growth & Inc	GS
GT Global Growth–International	FS
GT Global Growth–Japan	FS
GT Global Growth–Pacific	FS
GT Global Growth–Worldwide	GS
GT Global Health Care Fund	GS
GT Investment–Global Bond	GB
GT Investment–Global Govt Income	GB
Guardian Investor Services Corp 201 Park Avenue South New York, NY 10003 (800) 221-3253	
Guardian Park Ave Fund	ST
John Hancock Advisers 101 Huntington Avenue 6th Floor Boston, MA 02199 (800) 225-5291	
Freedom Inv–Gold & Government-A	ST
Freedom Inv–Government Income-A	BD
Freedom Inv–Managed Tax-Exempt-A	MU
Freedom Inv–Regional Bank-A	ST
Freedom Inv II–Global Fund-A	GS
Freedom Inv II–Global Income-A	GB
Freedom Inv III–Environmental-A	ST
Freedom Short-Term World Income-A	GB
John Hancock Asset Allocation Fund	BA
John Hancock Global Fund	GS
John Hancock Government Spectrum	BD
John Hancock Growth Fund	ST
John Hancock Sovereign Bond Fund	BD
John Hancock Sovereign Investors	ST
John Hancock Special Equities Fund	ST
John Hancock Strategic–Income	JU
John Hancock Tax-Exempt Income	MU
John Hancock Tech–Global Tech	ST
John Hancock Tech–Natl Aviation & Tech	ST
John Hancock US Govt Securities	BD

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Fund	Type
HCA Securities One SeaGate Toledo, OH 43666 (800) 422-1050	
Harbor Capital Appreciation	ST
Harbor Growth Fund	ST
Harbor International	FS
Harbor Value	ST
Heartland Advisors 790 North Milwaukee Street Milwaukee, WI 53202 (414) 347-7276 (local); (800) 432-7856	
Heartland Group–Value Fund	ST
Heine Securities 51 John F Kennedy Parkway Short Hills, NJ 07078 (800) 448-3863	
Mutual Series Fund–Beacon	ST
Mutual Series Fund–Mutual Shares	ST
Mutual Series Fund–Qualified	ST
Heritage Asset Management 880 Carillon Parkway St Petersburg, FL 33716 (813) 573-8143 (local); (800) 421-4184	
Heritage Capital Appreciation	ST
Wayne Hummer & Co 175 West Jackson Boulevard Chicago, IL 60604 (800) 621-4477	
Wayne Hummer Growth Fund	ST
Huntington Investments 251 South Lake Avenue Suite 600 Pasadena, CA 91101 (800) 826-0188	
International Currency–Global	GB
International Currency–Hard Currency	GB
International Currency–High Income	GB
Hyperion Capital Management 1650 Hotel Circle North Suite 200 San Diego, CA 92108 (800) 497-3746	
Ranieri Adjustable Rate US Govt I	BD

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Fund	Type
IAI Funds	
PO Box 357	
Minneapolis, MN 55440	
(612) 376-2700 (local); (800) 945-3863	
IAI Bond Fund	BD
IAI International Fund	FS
IAI Regional Fund	ST
IAI Reserve Fund	BD
IAI Stock Fund	ST
IAI Value Fund	ST
IDS Financial Services	
IDS Tower 10	
Minneapolis, MN 55440	
(800) 328-8300	
IDS Blue Chip Advantage Fund	ST
IDS Bond Fund	BD
IDS California Tax-Exempt Fund	MU
IDS Discovery Fund	ST
IDS Diversified Equity Income Fund	ST
IDS Equity Plus Fund	ST
IDS Extra Income Fund	JU
IDS Federal Income Fund	BD
IDS Global Bond Fund	GB
IDS Global Growth Fund	GS
IDS Growth Fund	ST
IDS High Yield Tax-Exempt Fund	MU
IDS Insured Tax-Exempt Fund	MU
IDS International Fund	FS
IDS Managed Retirement Fund	ST
IDS Minnesota Tax-Exempt Fund	MU
IDS Mutual Fund	BA
IDS New Dimensions Fund	ST
IDS Precious Metals Fund	FS
IDS Progressive Fund	ST
IDS Selective Fund	BD
IDS Stock Fund	ST
IDS Strategy–Aggressive Equity	ST
IDS Strategy–Equity	ST
IDS Strategy–Income	BD
IDS Strategy–Worldwide Growth	FS
IDS Tax-Exempt Bond Fund	MU
IDS Utilities Income Fund	ST
Invesco Funds Group	
PO Box 2040	
Denver, CO 80201	
(303) 779-1233 (local); (800) 525-8085	
Financial Bond Shares–High Yield	JU
Financial Bond Shares–Select Income	BD
Financial Dynamics Fund	ST
Financial Industrial Fund	ST
Financial Industrial Income Fund	ST
Financial Series–Equity Fund	ST
Financial Series–Flex Fund	ST
Financial Series–Intl Growth	FS
Financial Strategic–European	FS
Financial Strategic–Financial Services	ST
Financial Strategic–Gold	ST
Financial Strategic–Health Science	ST
Financial Strategic–Leisure	ST
Financial Strategic–Pacific Basin	FS
Financial Strategic–Technology	ST
Financial Strategic–Utilities	ST
Financial Tax-Free Income Shares	MU
ISI	
717 Fifth Avenue	
New York, NY 10022	
(800) 955-7175	
ISI Total Return US Treasury	BD
Ivy Fund	
PO Box 5007	
Boca Raton, FL 33431	
(800) 456-5111	
Ivy Growth Fund	ST
Ivy International Fund	FS
Janus Capital	
100 Fillmore Street	
Suite 300	
Denver, CO 80206-4923	
(800) 525-3713	
Janus Flexible Income Fund	BD
Janus Fund	ST
Janus Growth & Income Fund	ST
Janus Twenty Fund	ST
Janus Venture Fund	ST
Janus Worldwide Fund	GS
Jefferson-Pilot Investor Services	
PO Box 22086	
Greensboro, NC 27420	
(800) 458-4498	
JP Growth Fund	ST
Jones & Babson	
2440 Pershing Road	
Kansas City, MO 64108	
(800) 422-2766	
Babson Bond–Portfolio L	BD
Babson Enterprise Fund	ST
Babson Growth Fund	ST
Babson Value Fund	ST
Shadow Stock Fund	ST
UMB Stock Fund	ST
Kaufmann Fund	
17 Battery Place	
Suite 2624	
New York, NY 10004	
(212) 344-2661* (local); (800) 237-0132	
Kaufmann Fund	ST
Kemper Financial Services	
120 South LaSalle Street	
Chicago, IL 60603	
(800) 621-1048	
Kemper Adjustable Rate US Govt	BD
Kemper Blue Chip Fund	ST
Kemper California Tax-Free Income	MU
Kemper Diversified Income Fund	JU
Kemper Environmental Services Fund	ST
Kemper Florida Tax-Free Income	MU
Kemper Growth Fund	ST
Kemper High Yield Fund	JU
Kemper Inc & Cap Preservation	BD
Kemper International Fund	FS
Kemper Invest–Diversified Income	BD
Kemper Invest–Government	BD
Kemper Invest–Growth	ST
Kemper Invest–High Yield	JU
Kemper Invest–Short-Intermed Govt	BD
Kemper Invest–Short-Term Global	GB
Kemper Invest–Total Return	BA
Kemper Money Market–Govt Secs	MM
Kemper Money Market–MM	MM
Kemper Money Market–Tax-Exempt	MM
Kemper Municipal Bond Fund	MU
Kemper New York Tax-Free Fund	MU
Kemper Retirement Fund I	BA
Kemper Retirement Fund II	BA
Kemper Short-Term Global Income	GB
Kemper Small Capitalization Equity	ST
Kemper Technology Fund	ST
Kemper Total Return Fund	BA
Kemper US Government Securities	BD
Keystone Distributors	
PO Box 2121	
Boston, MA 02106-2121	
(800) 343-2898	
Hartwell Emerging Growth	ST
Keystone America Cap Pres & Income I	BD
Keystone America Omega	ST
Keystone America Tax-Free Income	MU
Keystone Custodian B-1	BD
Keystone Custodian B-2	BD
Keystone Custodian B-4	JU
Keystone Custodian K-1	BA
Keystone Custodian K-2	ST
Keystone Custodian S-1	ST
Keystone Custodian S-3	ST
Keystone Custodian S-4	ST
Keystone International Fund	FS
Keystone Precious Metals	FS
Keystone Tax-Exempt Trust	MU
Keystone Tax-Free Fund	MU
Kidder, Peabody	
60 Broad Street	
3rd Floor	
New York, NY 10004-2350	
(800) 238-7753	
Kidder, Peabody Equity Income	ST

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Fund	Type
Kleinwort Benson 200 Park Avenue 24th Floor New York, NY 10166 (212) 687-2515 (local), (800) 237-4218	
Kleinwort Benson Intl Equity	FS
Legg Mason Wood Walker 111 South Calvert Street 21st Floor Baltimore, MD 21202 (410) 539-0000* (local), (800) 368-2558	
Legg Mason Inc–US Govt Intermed	BD
Legg Mason Special Investment	ST
Legg Mason Total Return Trust	ST
Legg Mason Value Trust	ST
Lexington Management Corp PO Box 1515 Park 80 West Plaza II Saddle Brook, NJ 07662 (800) 526-0056	
Lexington Corp Leaders Trust Fund	ST
Lexington Global Fund	GS
Lexington GNMA Income Fund	BD
Lexington Goldfund	GS
Lexington Growth & Income Fund	ST
Lexington Worldwide Emerging Mkts	FS
Liberty Securities 600 Atlantic Avenue 23rd Floor Boston, MA 02210-2214 (800) 542-3863	
Liberty Advantage Tax-Free Bond	MU
Liberty Advantage US Govt Secs	BD
Lieber & Co 2500 Westchester Avenue Purchase, NY 10577 (800) 235-0064	
Evergreen Foundation Fund	BA
Evergreen Fund	ST
Evergreen Limited Market Fund	ST
Evergreen Tax Exempt MM	MM
Evergreen Total Return Fund	ST
Evergreen Value Timing Fund	ST
Lincoln Investment Planning 218 Glenside Avenue Wyncote, PA 19095-1595 (800) 242-1421	
Rightime Blue Chip Fund	ST
Rightime Fund	ST
Rightime Growth Fund	ST
Lindner Management Corp 7711 Carondelet Avenue PO Box 11208 St Louis, MO 63105 (314) 727-5305	
Lindner Dividend Fund	ST
Lindner Fund	ST

Fund	Type
Lord Abbett & Co 767 Fifth Avenue 11th Floor New York, NY 10153-0203 (800) 874-3733	
Affiliated Fund	ST
Lord Abbett Bond-Debenture Fund	JU
Lord Abbett Calif Tax-Free Income	MU
Lord Abbett Developing Growth	ST
Lord Abbett Equity Fund-1990	BA
Lord Abbett Fundamental Value	ST
Lord Abbett Global Fund–Equity	GS
Lord Abbett Global Fund–Income	GB
Lord Abbett Tax-Free Income–Natl	MU
Lord Abbett Tax-Free Income–NJ	MU
Lord Abbett Tax-Free Income–New York	MU
Lord Abbett US Government Secs	BD
Lord Abbett Value Appreciation	ST
Lutheran Brotherhood Securities 625 Fourth Avenue South Minneapolis, MN 55415 (800) 328-4552	
Lutheran Brotherhood Fund	ST
Lutheran Brotherhood High Yield	JU
Lutheran Brotherhood Income Fund	BD
Lutheran Brotherhood Muni Bond	MU
Mackenzie Investment Management PO Box 5007 Boca Raton, FL 33431-0807 (800) 456-5111	
Mackenzie American Fund	ST
Mackenzie Fixed Income Trust	BD
Mackenzie No Amer Total Return	BA
Mairs & Power 332 Minnesota Street West-2062 First National Bank Building St Paul, MN 55101 (612) 222-8478	
Mairs & Power Growth Fund	ST
Horace Mann Growth Fund One Horace Mann Plaza Springfield, IL 62715 (800) 999-1030	
Horace Mann Growth Fund	ST
Massachusetts Financial Services PO Box 2281 Boston, MA 02107 (800) 225-2606	
Mass Investors Growth Stock Fund	ST
Mass Investors Trust	ST
MFS Bond Fund	BD
MFS California Municipal Bond	MU
MFS Capital Development Fund	ST
MFS Emerging Growth Fund	ST
MFS Government Income Plus	BD
MFS Government Premium Fund	BD
MFS Government Securities	BD
MFS High Income Fund	JU

Fund	Type
MFS High Yield Municipal Bond	MU
MFS Lifetime Capital Growth Fund	ST
MFS Lifetime Emerging Growth Fund	ST
MFS Lifetime Government Income +	BD
MFS Lifetime High Income Fund	JU
MFS Lifetime Intermediate Income	BD
MFS Lifetime Managed Sectors Fund	ST
MFS Lifetime Municipal Bond	MU
MFS Lifetime Total Return Fund	ST
MFS Lifetime Worldwide Equity	GS
MFS M-S Muni Bond–Maryland	MU
MFS M-S Muni Bond–Massachusetts	MU
MFS M-S Muni Bond–New York	MU
MFS M-S Muni Bond–North Carolina	MU
MFS M-S Muni Bond–South Carolina	MU
MFS M-S Muni Bond–Virginia	MU
MFS Managed Sectors Fund	ST
MFS Municipal Bond Fund	MU
MFS Research Fund	ST
MFS Special Fund	ST
MFS Total Return Fund	BA
MFS Worldwide Governments	GB
MFS Worldwide Total Return Fund	GS
Mathers Fund 100 Corporate North Suite 201 Bannockburn, IL 60015 (800) 962-3863	
Mathers Fund	ST
Merrill Lynch Funds Distributor PO Box 9011 Princeton, NJ 08543-9011 (800) 637-3863	
Merrill Lynch Bal Inv & Retire-A	BA
Merrill Lynch Basic Value Fund-A	ST
Merrill Lynch Calif Muni Bond-A	MU
Merrill Lynch Capital Fund-A	ST
Merrill Lynch Corp–High Income-A	JU
Merrill Lynch Corp–High Quality-A	BD
Merrill Lynch Corp–Intermediate	BD
Merrill Lynch Devel Capital Mkts	FS
Merrill Lynch EuroFund-A	FS
Merrill Lynch Federal Securities	BD
Merrill Lynch Florida Muni Bond-A	MU
Merrill Lynch Fund for Tomorrow-A	ST
Merrill Lynch Global Allocation-A	GS
Merrill Lynch Global Bond Inv & Ret-A	GB
Merrill Lynch Global Utility-A	GS
Merrill Lynch Grow Inv & Retire-A	ST
Merrill Lynch Healthcare Fund-A	GS
Merrill Lynch Intl Holdings-A	GS
Merrill Lynch Muni–High Yield-A	MU
Merrill Lynch Muni–Insured-A	MU
Merrill Lynch Muni–Ltd Maturity	MU
Merrill Lynch Municipal Income-A	MU
Merrill Lynch Natural Resources-A	ST
Merrill Lynch NY Muni Bond-A	MU
Merrill Lynch Pacific Fund-A	FS

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Fund	Type
Merrill Lynch Phoenix Fund-A	BA
Merrill Lynch Prime Fund	BD
Merrill Lynch Ready Assets Trust	MM
Merrill Lynch S-T Global Income-A	GB
Merrill Lynch Special Value-A	ST
Merrill Lynch Strategic Div-A	ST
Merrill Lynch Technology-A	GS
Merrill Lynch World Income-A	GB
Merriman Investment Trust 1200 Westlake Avenue North Suite 700 Seattle, WA 98109 (800) 423-4893	
Merriman Asset Allocation Fund	BA
Merriman Capital Appreciation Fund	ST
Mesirow Investment Services 350 North Clark Street Chicago, IL 60610 (800) 458-5222	
Skyline Fund–Special Equities	SI
MGF Distributors 312 Walnut Street Suite 2100 Cincinnati, OH 45202 (800) 543-8721	
Midwest Strategic–Utility Income	ST
Mimlic Sales Corp PO Box 64132 St Paul, MN 55164-9800 (800) 443-3677	
Mimlic Asset Allocation Fund	BA
Monetta Fund 1776-A South Naperville Road Suite 207 Wheaton, IL 60187-8133 (800) 666-3882	
Monetta Fund	ST
Montgomery Small-Cap Fund 600 Montgomery Street 17th Floor San Francisco, CA 94111 (800) 428-1871	
Montgomery Small-Cap Fund	ST
Morgan Keegan & Co 50 North Front Street Memphis, TN 38103 (800) 366-7426	
Morgan Keegan Southern Capital	ST
Murphey Favre West 601 Riverside Avenue Spokane, WA 99201 (800) 543-8072	
Composite Bond & Stock Fund	BA
Composite Growth Fund	ST
Composite Northwest 50 Fund	ST
Composite Tax-Exempt Bond Fund	MU
Composite US Govt Securities	BD
Mutual of Omaha Fund Management 10235 Regency Circle Omaha, NE 68114 (800) 228-9596	
Mutual of Omaha Growth Fund	ST
Mutual of Omaha Income Fund	BA
Mutual of Omaha Tax-Free Income	MU
National Securities & Research Corp 2 Pickwick Plaza Greenwich, CT 06830 (800) 223-7757	
National Bond Fund	JU
National Calif Tax-Exempt Bonds	MU
National Federal Securities Trust	BD
National Global Allocation Fund	GS
National Income & Growth Fund-A	BA
National Multi-Sector Fixed Inc-A	BD
National Securities Tax-Ex Bonds	MU
National Stock Fund	ST
National Total Return Fund	BA
National WorldWide Opportunities	GS
Nationar 330 Madison Avenue 8th Floor New York, NY 10017 (800) 232-4484	
MSB Fund	ST
Nationwide Financial Services One Nationwide Plaza Columbus, OH 43216 (800) 848-0920	
Nationwide Fund	ST
Nationwide Growth Fund	ST
Nationwide Tax-Free Income Fund	MU
Neuberger & Berman Management 605 Third Avenue 2nd Floor New York, NY 10158-0006 (800) 877-9700	
N & B Genesis Fund	ST
N & B Guardian Fund	ST
N & B Limited Maturity Bond	BD
N & B Manhattan Fund	ST
N & B Partners Fund	ST
N & B Selected Sectors	ST
Newport Distributors 1500 Forest Avenue Suite 223 Richmond, VA 23229 (800) 527-9500	
Newport Tiger Fund	FS
Vontobel EuroPacific Fund	FS
Vontobel US Value Fund	ST
Newton Fund PO Box 1348 Milwaukee, WI 53201 (414) 223-1455 (local); (800) 242-7229	
Newton Growth Fund	ST
Nicholas Company 700 North Water Street Suite 1010 Milwaukee, WI 53202 (414) 272-6133	
Nicholas Fund	ST
Nicholas II	ST
Nicholas Income Fund	BD
Nicholas Limited Edition	ST
Nomura Capital Management 180 Maiden Lane 29th Floor New York, NY 10038 (800) 833-0018	
Nomura Pacific Basin Fund	FS
Northeast Investors Trust 50 Congress Street 10th Floor, Room 1000 Boston, MA 02109 (800) 225-6704	
Northeast Investors Growth	ST
Northeast Investors Trust	BD
John Nuveen & Co 333 West Wacker Drive Chicago, IL 60606 (800) 621-7227	
Nuveen California Insured T-F Value	MU
Nuveen California Tax-Free Value	MU
Nuveen Insured Municipal Bond	MU
Nuveen Municipal Bond Fund	MU
Nuveen New York Insured T-F Value	MU
Nuveen Ohio Tax-Free Value	MU
Nuveen Tax-Exempt Money Market	MM
NYLife Securities 51 Madison Avenue New York, NY 10010-1603 (800) 522-4202	
MainStay–Capital Appreciation	ST
MainStay–Convertible Fund	BA
MainStay–Equity Index Fund	ST
MainStay–Government Plus	BD
MainStay–High Yield Corp Bond	JU
MainStay–Tax-Free Bond	MU
MainStay–Total Return Fund	BA
MainStay–Value Fund	ST

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Fund	Type
Oberweis Emerging Growth 841 North Lake Street Aurora, IL 60506 (800) 323-6166	
Oberweis Emerging Growth	ST
Olympic Trust 800 West Sixth Street Suite 540 Los Angeles, CA 90017 (800) 346-7301	
Olympic Trust–Equity Income	ST
Olympus Investment Trust 1925 Century Park East Suite 1900 Los Angeles, CA 90067 (800) 950-2748	
Olympus Stock Fund	ST
Oppenheimer Fund Management PO Box 300 Denver, CO 80201 (800) 525-7048	
Main Street–Income & Growth	ST
Oppenheimer Asset Allocation Fund	BA
Oppenheimer California Tax-Exempt	MU
Oppenheimer Discovery Fund	ST
Oppenheimer Equity Income Fund	ST
Oppenheimer Fund	ST
Oppenheimer Global Bio-Tech Fund	GS
Oppenheimer Global Environment	GS
Oppenheimer Global Fund	GS
Oppenheimer Global Growth & Inc	GS
Oppenheimer GNMA Fund	BD
Oppenheimer Gold & Special Mins	GS
Oppenheimer Government Securities	BD
Oppenheimer High Yield Fund	JU
Oppenheimer New York Tax-Exempt	MU
Oppenheimer Special Fund	ST
Oppenheimer Strategic Income Fund	BD
Oppenheimer Target Fund	ST
Oppenheimer Tax-Free Bond Fund	MU
Oppenheimer Time Fund	ST
Oppenheimer Total Return Fund	ST
Oppenheimer US Government Trust	BD
Oppenheimer Value Stock	ST
Overland Express PO Box 63084 San Francisco, CA 94163 (800) 552-9612	
Overland Express Asset Allocation	BA
Overland Express Calif T-F Bond	MU
Overland Express Variable Rate Govt	BD
Pacific Financial Research 9601 Wilshire Boulevard Suite 828 Beverly Hills, CA 90210 (800) 776-3033	
Clipper Fund	ST

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MUTUAL FUND INVESTORS!

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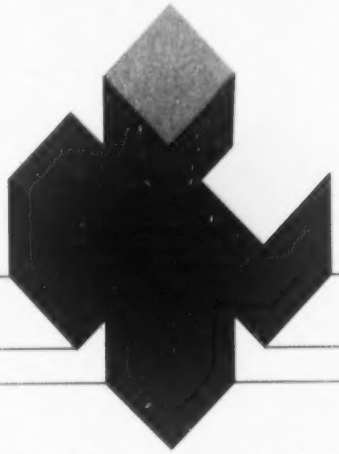

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THE Vanguard GROUP OF INVESTMENT COMPANIES

Fund	Type
Pacific Horizon	
7863 Girard Avenue	
Suite 306	
La Jolla, CA 92037	
(800) 332-3863	
Pacific Horizon–Aggressive Growth	ST
Pacific Horizon–Calif Tax-Ex Bond	MU
Pacific Horizon–Prime	MM
Pacific Horizon–Treasury	MM
Pacific Horizon–US Government	BD
PaineWebber	
1000 Harbor Boulevard	
Prospectus Department, 1st Floor	
Weehawken, NJ 07087	
(201) 902-7341 (local); (800) 647-1568	
PaineWebber Asset Allocation-A	BA
PaineWebber Atlas Global Growth-A	GS
PaineWebber Blue Chip Growth Fund-A	ST
PaineWebber California T-F Income-A	MU
PaineWebber Cashfund	MM
PaineWebber Dividend Growth Fund	ST
PaineWebber Europe Growth Fund-A	FS
PaineWebber Global Energy Fund-A	GS
PaineWebber Global Growth & Income-A	GS
PaineWebber Global Income-A	GB
PaineWebber Growth Fund-A	ST
PaineWebber High Income Fund-A	JU
PaineWebber Income Fund-A	BD
PaineWebber Investment Grade Income-A	BD
PaineWebber National T-F Income-A	MU
PaineWebber Regional Finl Growth-A	ST
PaineWebber S-T Global Income-A	GB
PaineWebber US Government Income-A	BD
Parnassus Financial Management	
244 California Street	
San Francisco, CA 94111	
(415) 362-3505 (local); (800) 999-3505	
Parnassus Fund	ST
Pasadena Group of Mutual Funds	
600 North Rosemead Boulevard	
Pasadena, CA 91107-2101	
(800) 882-2855	
Pasadena Balanced Return Fund	BA
Pasadena Growth Fund	ST
Pasadena Nifty Fifty Fund	ST
Pax World Fund	
224 State Street	
Portsmouth, NH 03801	
(800) 767-1729	
Pax World Fund	BA
Penn Square Management	
2650 Westview Drive	
Wyomissing, PA 19610	
(800) 523-8440	
Penn Square Mutual Fund	ST

Fund	Type
Pennsylvania Mutual Fund	
1414 Avenue of the Americas	
New York, NY 10019	
(800) 221-4268	
Pennsylvania Mutual Fund	ST
Permanent Portfolio	
PO Box 5847	
Austin, TX 78763	
(800) 531-5142	
Permanent Portfolios–Permanent	BA
Permanent Portfolios–Treasury Bill	BD
GR Phelps & Co	
140 Garden Street	
MS 305	
Hartford, CT 06154	
(800) 322-2642	
Connecticut Mutual–Growth	ST
Connecticut Mutual–Total Return	BA
Phoenix Equity Planning Corp	
100 Bright Meadow Boulevard	
Enfield, CT 06083-2200	
(800) 243-4361	
Phoenix Balanced Fund	BA
Phoenix Convertible Fund	BA
Phoenix Growth Fund	ST
Phoenix High Yield Fund	JU
Phoenix Multi–Capital Appreciation	ST
Phoenix Multi–International	FS
Phoenix Stock Fund	ST
Phoenix Total Return	ST
Pilgrim Group	
10100 Santa Monica Boulevard	
21st Floor	
Los Angeles, CA 90067-4112	
(800) 336-3436	
Pilgrim Adjustable US Govt Secs III	BD
Pilgrim MagnaCap Fund	ST
Pilgrim S-T Multi-Market Income	BD
Pioneer Group	
PO Box 9014	
Boston, MA 02205-9014	
(800) 225-6292	
Pioneer Bond Fund	BD
Pioneer Capital Growth Fund	ST
Pioneer Europe Fund	FS
Pioneer Fund	ST
Pioneer II	ST
Pioneer Three	ST
Piper Capital Management	
Piper Jaffray Tower	
222 South 9th Street	
Minneapolis, MN 55402	
(800) 866-7778	
Piper Jaffray Emerging Growth Fund	ST
Piper Jaffray Government Income	BD
Piper Jaffray Institutional Govt Inc	BD
Piper Jaffray Minnesota Tax-Exempt	MU
Piper Jaffray Value Fund	ST

Fund	Type
T Rowe Price Associates	
100 East Pratt Street	
Baltimore, MD 21202	
(800) 638-5660	
T Rowe Price Balanced Fund	BA
T Rowe Price California T-F Inc Bond	MU
T Rowe Price Capital Appreciation	ST
T Rowe Price Equity Income Fund	ST
T Rowe Price European Stock	FS
T Rowe Price Global Govt Bond	GB
T Rowe Price GNMA Fund	BD
T Rowe Price Growth & Income	ST
T Rowe Price Growth Stock Fund	ST
T Rowe Price High Yield Fund	JU
T Rowe Price Intl Bond	GB
T Rowe Price Intl Discovery	FS
T Rowe Price Intl Stock	FS
T Rowe Price Maryland T-F Bond	MU
T Rowe Price New America Growth	ST
T Rowe Price New Asia	FS
T Rowe Price New Era Fund	ST
T Rowe Price New Horizons Fund	ST
T Rowe Price New Income Fund	BD
T Rowe Price Science & Technology	ST
T Rowe Price Short-Term Bond Fund	BD
T Rowe Price Small-Cap Value Fund	ST
T Rowe Price Spectrum–Growth	ST
T Rowe Price Spectrum–Income	BD
T Rowe Price Tax-Free High Yield	MU
T Rowe Price Tax-Free Income Fund	MU
T Rowe Price T-F Short-Intermediate	MU
T Rowe Price US Treasury Intermed	BD
T Rowe Price US Treasury Money	MM
Primary Trend Fund	
First Financial Centre-4th Floor	
700 North Water Street	
Milwaukee, WI 53202	
(800) 443-6544	
Primary Trend Fund	ST
Princor Financial Services Corp	
The Principal Financial Group	
Des Moines, IA 50392-0200	
(800) 451-5447	
Princor Capital Accumulation Fund	ST
Princor Emerging Growth Fund	ST
Princor Government Securities Inc	BD
Princor Growth Fund	ST
Princor Managed Fund	BA
Princor World Fund	GS
ProvidentMutual Financial Services	
PO Box 15627	
Christiana Executive Campus	
Wilmington, DE 19850	
(800) 441-9490	
ProvidentMutual Growth Fund	ST
ProvidentMutual Investment Shares	ST
ProvidentMutual Total Return Trust	BA

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Fund	Type
Prudential Securities	
One Seaport Plaza	
New York, NY 10292	
(800) 225-1852	
Nicholas-Applegate Growth Equity-A	ST
Prudential Calif Municipal–Calif-A	MU
Prudential Calif Municipal–Income-A	MU
Prudential Equity Fund-A	ST
Prudential Equity Income-A	ST
Prudential FlexiFund–Conservative-A	ST
Prudential FlexiFund–Strategy-A	ST
Prudential Global Fund-A	GS
Prudential Global Genesis-A	GS
Prudential GNMA Fund-A	BD
Prudential Government Plus-A	BD
Prudential Govt Secs–Intermed	BD
Prudential Govt Secs–Money Market	MM
Prudential Growth Fund-A	ST
Prudential Growth Opportunity-A	ST
Prudential High Yield Fund-A	JU
Prudential IncomeVertible Plus-A	BA
Prudential Intermed Global Income-A	GB
Prudential Multi-Sector Fund-A	ST
Prudential Muni Bond–High Yield-A	MU
Prudential Muni Bond–Insured-A	MU
Prudential Muni Ser–New Jersey-A	MU
Prudential Muni Ser–New York-A	MU
Prudential Muni Ser–Ohio-A	MU
Prudential Muni Ser–Pennsylvania-A	MU
Prudential National Municipals-A	MU
Prudential S-T Global–Income-A	GB
Prudential S-T Global–Assets-A	GB
Prudential Structured Maturity-A	BD
Prudential US Government-A	BD
Prudential Utility Fund-A	ST
Putnam Financial Services	
PO Box 2701	
Boston, MA 02208	
(617) 292-1000* (local), (800) 225-1581	
Putnam Adjustable Rate US Govt-A	BD
Putnam Calif Tax-Exempt Income	MU
Putnam Convertible Income-Growth	BA
Putnam Corporate Asset Trust	ST
Putnam Diversified Income Trust	BD
Putnam Dividend Growth	ST
Putnam Energy-Resources Trust	ST
Putnam Federal Income Trust	BD
Putnam Florida Tax-Exempt Income	MU
Putnam Fund for Growth & Income-A	ST
George Putnam Fund of Boston-A	BA
Putnam Global Governmental Income	GB
Putnam Global Growth Fund-A	GS
Putnam Health Sciences Trust	ST
Putnam High Income Government	BD
Putnam High Yield Advantage	JU
Putnam High Yield Trust	JU
Putnam Income Fund	BD
Putnam Investors Fund	ST
Putnam Managed Income Trust	ST
Putnam Massachusetts Tax-Ex Inc II	MU

Fund	Type
Putnam Municipal Income	MU
Putnam New Jersey Tax-Exempt Inc	MU
Putnam New Opportunities	ST
Putnam New York Tax-Exempt Income	MU
Putnam Ohio Tax-Exempt Income II	MU
Putnam OTC Emerging Growth Fund	ST
Putnam Penn Tax-Exempt Income	MU
Putnam Strategic Income Trust	ST
Putnam Tax-Exempt Income Fund	MU
Putnam Tax-Free Income–High Yield	MU
Putnam Tax-Free Income–Insured	MU
Putnam US Govt Income-A	BD
Putnam Utilities Grow & Income-A	ST
Putnam Vista Fund	ST
Putnam Voyager Fund-A	ST
Quest Distributors	
1414 Avenue of the Americas	
New York, NY 10019	
(800) 221-4268	
Royce Fund–Equity Income	ST
Royce Fund–Value	ST
Quest for Value	
200 Liberty Street	
One World Financial Center, 37th Floor	
New York, NY 10281	
(800) 232-3863	
Quest for Value–Opportunity Fund	BA
Quest for Value–Small Capitalization	ST
Quest for Value–US Govt Income	BD
Quest for Value Fund	ST
Quest for Value Global Equity Fund	GS
James B Rea	
10966 Chalon Road	
Los Angeles, CA 90077	
(310) 208-2282* (local), (800) 433-1998	
Rea-Graham Balanced Fund	BA
Reich & Tang LP	
100 Park Avenue	
28th Floor	
New York, NY 10017	
(800) 221-3079	
Reich & Tang Equity Fund	ST
Robertson, Stephens & Co	
One Embarcadero Center	
Suite 3100	
San Francisco, CA 94111	
(800) 766-3863	
Robertson Stephens Emerging Growth	ST
Rochester Fund Distributors	
70 Linden Oaks	
Rochester, NY 14625	
(716) 383-1300*	
Rochester Fund Municipals	MU

Fund	Type
Rodney Square Funds	
1300 North Market Street	
Suite 700	
Wilmington, DE 19801	
(800) 553-9308	
Rodney Square–Money Market	MM
Rodney Square International Equity	FS
Rodney Square Multi-Mngr–Growth	ST
Ruane, Cunniff & Co	
1370 Avenue of the Americas	
29th Floor	
New York, NY 10019	
(212) 245-4500	
Sequoia Fund	ST
Rushmore Group	
4922 Fairmont Avenue	
Bethesda, MD 20814	
(800) 343-3355	
American Gas Index Fund	ST
Rushmore–Nova	ST
Frank Russell Distributors	
5700 Corporate Drive	
Suite 330	
Pittsburgh, PA 15237-5861	
(800) 235-4331	
Laurel Funds–Stock	ST
Safeco Securities	
PO Box 34890	
Seattle, WA 98124-1890	
(206) 545-7319* (local), (800) 624-5711	
Safeco Equity Fund	ST
Safeco Growth Fund	ST
Safeco Income Fund	ST
Safeco Municipal Bond Fund	MU
Safeco Northwest Fund	ST
Salomon Brothers Asset Management	
7 World Trade Center	
38th Floor	
New York, NY 10048	
(800) 725-6666	
Salomon Brothers Capital Fund	ST
Salomon Brothers Investors Fund	ST
Salomon Brothers Opportunity Fund	ST
SBM Financial Services	
8400 Normandale Lake Boulevard	
Suite 1100	
Minneapolis, MN 55437	
(800) 328-4735	
State Bond Common Stock Fund	ST
State Bond Diversified Fund	ST
SBSF Funds	
45 Rockefeller Plaza	
33rd Floor	
New York, NY 10111	
(800) 422-7273	
SBSF–Growth Fund	ST

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Fund	Type
Scudder Investor Services	
160 Federal Street	
2nd Floor	
Boston, MA 02110	
(800) 225-2470	
AARP Growth–Capital Growth	ST
AARP Growth–Growth & Income	ST
AARP Income–GNMA & US Treasury	BD
AARP Income–High Quality Bond	BD
AARP Insured T-F Inc–Genl Bond	MU
Japan Fund	FS
Scudder California Tax-Free Fund	MU
Scudder Capital Growth Fund	ST
Scudder Development Fund	ST
Scudder Global Fund	GS
Scudder GNMA Fund	BD
Scudder Gold Fund	GS
Scudder Growth & Income Fund	ST
Scudder High Yield Tax-Free Fund	MU
Scudder Income Fund	BD
Scudder International Bond Fund	GB
Scudder International Fund	FS
Scudder Managed Municipal Bonds	MU
Scudder Massachusetts Tax-Free	MU
Scudder Medium Term Tax-Free	MU
Scudder NY Tax-Free Fund	MU
Scudder Quality Growth Fund	ST
Scudder Short Term Bond Fund	BD
Scudder Short-Term Global Income	GB
Securities Management & Research	
Two Moody Plaza	
Galveston, TX 77550	
(800) 231-4639	
American National Growth Fund	ST
American National Income Fund	ST
Security Distributors	
700 Harrison Street	
Topeka, KS 66636	
(913) 295-3127* (local); (800) 888-2461	
Security Action Fund	ST
Security Equity Fund	ST
Security Investment Fund	ST
Security Ultra Fund	ST
Selected Financial Services	
120 South Riverside Plaza	
Chicago, IL 60606	
(800) 426-6562	
Selected American Shares	ST
Selected Special Shares	ST

Fund	Type
Seligman Financial Services	
130 Liberty Street	
New York, NY 10006	
(800) 221-2783	
Seligman Capital Fund	ST
Seligman Common Stock Fund	ST
Seligman Communications & Info	ST
Seligman Frontier Fund	ST
Seligman Growth Fund	ST
Seligman Income Fund	BA
Seligman Tax-Exempt–Mass	MU
Seligman Tax-Exempt–Michigan	MU
Seligman Tax-Exempt–Minnesota	MU
Seligman Tax-Exempt–National	MU
Seligman Tax-Exempt–Ohio	MU
Sentry Equity Services	
1800 North Point Drive	
C3/42	
Stevens Point, WI 54481	
(800) 533-7827	
Sentry Fund	ST
Shearson Lehman Brothers	
388 Greenwich Street	
New York, NY 10013	
(212) 720-9128	
AMEX Municipal Money Market	MM
AMEX New York Municipal MM	MM
Shearson Advisors Fund	ST
Shearson Aggressive Growth	ST
Shearson Appreciation Fund	ST
Shearson California Municipals	MU
Shearson Equity–Growth & Oppor	ST
Shearson Equity–International	FS
Shearson Equity–Sector Analysis	ST
Shearson Equity–Strategic Investors	ST
Shearson Fundamental Value Fund	ST
Shearson Global Opportunities	GS
Shearson High Yield Fund	JU
Shearson Income–Convertible	BA
Shearson Income–Divers Strategic	BD
Shearson Income–Global Bond	GB
Shearson Income–High Income	JU
Shearson Income–Mortgage	BD
Shearson Income–Premium Tot Ret	ST
Shearson Income–S-T Global Income	GB
Shearson Income–Tax-Exempt Income	MU
Shearson Income–Utilities	BA
Shearson Invest–Appreciation	ST
Shearson Invest–Directions Value	ST
Shearson Invest–European	FS
Shearson Invest–Govt Securities	BD
Shearson Invest–Invest Grade Bond	BD
Shearson Invest–Precious Metals	GS
Shearson Invest–Special Equities	ST
Shearson Managed Governments	BD
Shearson Managed Municipals	MU
Shearson New Jersey Municipals	MU
Shearson New York Municipals	MU

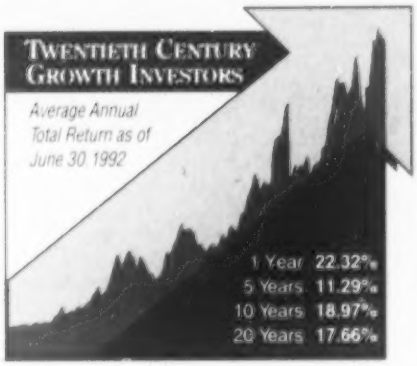
Fund	Type
Shearson 1990s Fund	ST
Shearson Principal Return–1996	BA
Shearson Principal Return–1998	BA
Shearson Short-Term World Income	GB
Shearson Small Capitalization	ST
Shearson Telecommunications–Growth	ST
Shearson World Wide Prime Assets	GB
Sheffield Investments	
41 Madison Avenue	
New York, NY 10010	
(800) 922-7771	
Blanchard Global Growth Fund	GS
Blanchard Short-Term Global Income	GB
Signature Financial Group	
6 Saint James Avenue	
9th Floor	
Boston, MA 02116	
(617) 423-0800*	
FundTrust–Aggressive Growth	ST
FundTrust–Growth & Income	BA
Sit Investment Associates	
90 South 7th Street	
Suite 4600	
Minneapolis, MN 55402	
(800) 332-5580	
Sit New Beginning Growth Fund	ST
Sit New Beginning Income & Growth	ST
Sit New Beginning Tax-Free Income	MU
Smith Barney Advisers	
1345 Avenue of the Americas	
22nd Floor	
New York, NY 10105	
(800) 544-7835	
Smith Barney Equity Fund	ST
Smith Barney–Income & Growth	ST
Smith Barney–US Government	BD
Smith Barney–Utility	ST
Smith Barney Muni Bond–California	MU
Smith Barney Muni Bond–Ltd Term	MU
Smith Barney Muni Bond–National	MU
SoGen Securities Corp	
50 Rockefeller Plaza	
New York, NY 10020	
(800) 334-2143	
SoGen International Fund	ST
Southeastern Asset Management	
860 Ridgelake Boulevard	
Suite 301	
Memphis, TN 38120	
(800) 445-9469	
SAM Small Cap Fund	ST
SAM Value Trust	ST

*Will accept collect calls.

Fund	Type
Stagecoach Asset Management PO Box 7066 San Francisco, CA 94120 (800) 222-8222	
Stagecoach Asset Allocation	BA
Stagecoach Corporate Stock	ST
Stagecoach Growth & Income	ST
State Street Financial Services One Financial Center 30th Floor Boston, MA 02111 (800) 882-0052	
MetLife-State Street Cap Apprec	ST
MetLife-State Street Equity Income	ST
MetLife-State Street Equity Inv	ST
MetLife-State Street Govt Income	BD
MetLife-State Street High Income	JU
MetLife-State Street Managed Assets	BA
MetLife-State Street Tax-Exempt	MU
State Street Investment Trust	ST
Stein Roe & Farnham PO Box 1131 Chicago, IL 60690 (800) 338-2550	
SteinRoe Capital Opportunities	ST
SteinRoe High Yield Municipals	MU
SteinRoe Income Fund	BD
SteinRoe Intermediate Bond Fund	BD
SteinRoe Intermediate Municipals	MU
SteinRoe Managed Municipals	MU
SteinRoe Prime Equities	ST
SteinRoe Special Fund	ST
SteinRoe Stock Fund	ST
SteinRoe Total Return Fund	BA
Stonebridge Capital 1801 Century Park East Suite 1800 Los Angeles, CA 90067 (310) 277-1450	
National Industries Fund	ST
Stratton Funds c/o Fund Plan Services PO Box 874 Conshohocken, PA 19428-8074 (800) 634-5726	
Stratton Growth Fund	ST
Stratton Monthly Dividend Shares	ST
Strong/Corneliuson Capital Management PO Box 2936 Milwaukee, WI 53201-2936 (800) 368-1030	
Strong Advantage Fund	BD
Strong Common Stock Fund	ST
Strong Discovery Fund	ST
Strong Investment Fund	BA
Strong Municipal Bond Fund	MU
Strong Opportunity Fund	ST
Strong Short-Term Bond Fund	BD
Strong Total Return Fund	BA

*Will accept collect calls

Strong sense of direction.



1-800-345-2021

Data quoted represents past performance and assumes reinvestment of all distributions. Investment return and principal value will fluctuate and redemption value may be more or less than original cost. For more complete information, including charges and expenses, call for a free prospectus. Please read the prospectus carefully before investing.

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Address _____
City _____
State _____ (50) Zip _____

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THE Vanguard GROUP OF INVESTMENT COMPANIES

Fund	Type
SunAmerica Asset Management	
733 Third Avenue	
New York, NY 10017	
(800) 858-8850	
SunAmerica Balanced Assets Fund	BA
SunAmerica Capital Appreciation	ST
SunAmerica Equity-Aggress Growth	ST
SunAmerica Equity-Growth	ST
SunAmerica Equity-US Government Secs	BD
SunAmerica Federal Securities	BD
SunAmerica Global Short-Term Inc	GB
SunAmerica Multi-Asset-Tot Return	BA
SunAmerica Tax-Exempt-Insured	MU
Sunstone	
c/o First Wisconsin Trust Co	
PO Box 701	
Milwaukee, WI 53201-0701	
(414) 287-3710 (local); (800) 228-1024	
Portico-Bond IMMDEX Fund	BD
Portico-Equity Index Fund	ST
Portico-Income & Growth Fund	ST
Portico-Special Growth Fund	ST
TBC Funds Distributor	
103 Bellevue Parkway	
Wilmington, DE 19809	
(800) 441-7379	
HT Insight-Equity Fund	ST
Pierpont Capital Appreciation Fund	ST
Pierpont Equity Fund	ST
Pierpont International Equity Fund	FS
Pierpont Tax-Exempt Bond Fund	MU
Templeton Funds Distributors	
PO Box 3303	
St Petersburg, FL 33733-8030	
(800) 237-0738	
Templeton Foreign Fund	FS
Templeton Global Opportunities	GS
Templeton Growth Fund	GS
Templeton Income Fund	GS
Templeton Real Estate Securities	GS
Templeton Smaller Companies Growth	GS
Templeton Value Fund	GS
Templeton World Fund	GS
Thomson Investor Services	
PO Box 5866	
Denver, CO 80217	
(800) 426-0107	
Thomson-Equity Income-A	BA
Thomson-Global-A	GS
Thomson-Growth-A	ST
Thomson-Income-A	BD
Thomson-Opportunity-A	ST
Thomson-US Government-A	BD
Thornburg Securities	
119 East Marcy Street	
Suite 202	
Santa Fe, NM 87501	
(800) 847-0200	
Limited Term Municipal-National	MU

Fund	Type
TNE Investment	
399 Boylston Street	
Boston, MA 02116	
(800) 343-7104	
CGM Capital Development Fund	ST
CGM Mutual Fund	BA
TNE Balanced Fund	BA
TNE Bond Income Fund	BD
TNE Government Securities Fund	BD
TNE Growth Fund	ST
TNE Growth Opportunities	ST
TNE Premium Income	BD
TNE Retirement Equity Fund	ST
TNE Tax-Exempt Income Fund	MU
Transamerica	
1000 Louisiana	
Suite 6200	
Houston, TX 77002-5098	
(800) 343-6840	
Transamerica Calif Tax-Free Inc-A	MU
Transamerica Capital Appreciation	ST
Transamerica Govt Securities	BD
Transamerica Growth & Income-A	BA
Transamerica Invest Quality Bond	BD
Transamerica Special Blue Chip Fund	ST
Transamerica Special Emerging Grow-A	ST
Transamerica Special Govt Income	BD
Trusteed Funds	
101 Federal Street	
Boston, MA 02110	
(800) 359-5964	
Commonwealth Investment-Balanced	BA
Twentieth Century Investors	
PO Box 419200	
Kansas City, MO 64141-6200	
(816) 531-5575 (local); (800) 345-2021	
20th Century Balanced Investors	BA
20th Century Giftrust Investors	ST
20th Century Growth Investors	ST
20th Century Heritage Investors	ST
20th Century International Equity	FS
20th Century Long-Term Bond	BD
20th Century Select Investors	ST
20th Century Ultra Investors	ST
20th Century US Governments	BD
20th Century Vista Investors	ST
United Services Advisors	
PO Box 29467	
San Antonio, TX 78229-0467	
(512) 696-1234 (local); (800) 873-8637	
United Services-Global Resources	GS
United Services-Gold Shares	FS
United Services-World Gold Fund	GS
US Boston Investment	
Lincoln North	
Lincoln, MA 01773	
(800) 872-7866	
US Boston-Growth & Income	ST

Fund	Type
USAA Investment Management Co	
USAA Building	
9800 Fredericksburg Road	
San Antonio, TX 78288	
(800) 531-8181	
USAA Investment-Balanced	BA
USAA Investment-Cornerstone Fund	GS
USAA Investment-GNMA Trust	BD
USAA Investment-Gold Fund	FS
USAA Investment-International	FS
USAA Mutual-Aggressive Growth	ST
USAA Mutual-Growth Fund	ST
USAA Mutual-Income Fund	BD
USAA Mutual-Income Stock Fund	ST
USAA Mutual-Money Market	MM
USAA Tax-Exempt-California Bond	MU
USAA Tax-Exempt-California MM	MM
USAA Tax-Exempt-High Yield	MU
USAA Tax-Exempt-Intermediate	MU
USAA Tax-Exempt-Money Market	MM
USAA Tax-Exempt-Short-Term	MU
USAA Tax-Exempt-Virginia Bond	MU
USF&G Investment Services	
100 Light Street	
Baltimore, MD 21202	
(800) 323-8734	
Axe Core International ADR Fund	FS
Axe-Houghton Fund B	BA
Axe-Houghton Growth Fund	ST
Chancellor Growth & Income Fund	ST
European Growth Fund	FS
Over-the-Counter Securities Fund	ST
UST Securities	
c/o Concord Financial Group	
7863 Girard Avenue, Suite 306	
La Jolla, CA 92037	
(800) 233-1136	
UST Master Funds-Equity	ST
UST Master Funds-Govt Money	MM
UST Master Funds-International	FS
UST Master Funds-Managed Income	BD
UST Master Funds-Money	MM
UST Master Tax-Exempt-Intermed	MU
UST Master Tax-Exempt-Short-Term	MM
Value Line Securities	
711 Third Avenue	
4th Floor	
New York, NY 10017	
(800) 223-0818	
Value Line Convertible Fund	ST
Value Line Fund	ST
Value Line Income Fund	ST
Value Line Leveraged Growth Inv	ST
Value Line Special Situations Fund	ST
Value Line Tax-Exempt-High Yield	MU
Value Line US Government Secs	BD

*Will accept collect calls

Fund	Type
Van Eck Securities Corp 122 East 42nd Street 42nd Floor New York, NY 10168 (800) 221-2220	
Van Eck Gold/Resources Fund	GS
Van Eck International Investors	FS
Van Eck World Income Fund	GB
Van Eck World Trends Fund	GS
Van Kampen Merritt One Parkview Plaza Oakbrook Terrace, IL 60181 (708) 684-6000 (local), (800) 225-2222	
Van Kampen Merritt Growth & Inc	ST
Van Kampen Merritt High Yield	JU
Van Kampen Merritt Insured T-F	MU
Van Kampen Merritt Muni Income	MU
Van Kampen Merritt Penn T-F Inc	MU
Van Kampen Merritt Prime Rate Inc	BD
Van Kampen Merritt S-T Global-A	FS
Van Kampen Merritt T-F Hi Income	MU
Van Kampen Merritt US Government	BD
Vanguard Group of Investment Cos PO Box 2600 MS 136 Valley Forge, PA 19482 (800) 835-1510	
Vanguard Asset Allocation	BA
Vanguard Bond Market Fund	BD
Vanguard California T-F–Ins L-T	MU
Vanguard California T-F–MM	MM
Vanguard Convertible Securities	BA
Vanguard Equity Income Fund	ST
Vanguard Explorer Fund	ST
Vanguard Fixed Inc–GNMA	BD
Vanguard Fixed Inc–High Yield	JU
Vanguard Fixed Inc–Invest Grade	BD
Vanguard Fixed Inc–L-T US Treas	BD
Vanguard Fixed Inc–Short-Term	BD
Vanguard Fixed Inc–S-T Federal	BD
Vanguard Index–500 Portfolio	ST
Vanguard Index–Extended Market	ST
Vanguard Intl Equity Index–European	FS
Vanguard Intl Equity Index–Pacific	FS
Vanguard MM Reserves–Federal	MM
Vanguard MM Reserves–Prime	MM
Vanguard MM Reserves–US Treas	MM
Vanguard/Morgan Growth Fund	ST
Vanguard Muni Bond–High Yield	MU
Vanguard Muni Bond–Insured L-T	MU
Vanguard Muni Bond–Intermediate	MU
Vanguard Muni Bond–Limited Term	MU
Vanguard Muni Bond–Long-Term	MU
Vanguard Muni Bond–Money Market	MM
Vanguard Muni Bond–Short-Term	MU
Vanguard NJ Tax-Free–Insured L-T	MU
Vanguard NJ Tax-Free–MM	MM
Vanguard New York Insured T-F	MU
Vanguard Penn Tax-Free–Insured L-T	MU
Vanguard Penn Tax-Free–MM	MM
Vanguard Preferred Stock Fund	BD
Vanguard Primecap Fund	ST

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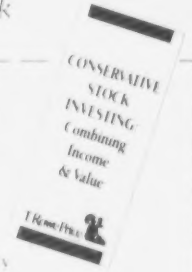

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*15.5%, 10.3%, and 15.6% are the respective 1-year, 5-year, and since inception (10/31/85) average annual returns for the periods ended 6/30/92. Figures include changes in principal value, reinvested dividends, and capital gain distributions. Total return represents past performance, which cannot guarantee future performance. Investment return and principal value will vary and shares may be worth more or less at redemption than at original purchase.
T. Rowe Price Investment Services, Inc., Distributor.

Fund	Type
Vanguard Quantitative Portfolios	ST
Vanguard Small Cap Stock	ST
Vanguard Special–Energy	ST
Vanguard Special–Gold & Precious	FS
Vanguard Special–Health Care	ST
Vanguard Special–Technology	ST
Vanguard STAR Fund	BA
Vanguard Trustees Commingled–Intl	FS
Vanguard Trustees Commingled–US	ST
Vanguard Wellesley Income Fund	BA
Vanguard Wellington Fund	BA
Vanguard Windsor Fund	ST
Vanguard Windsor II	ST
Vanguard World–Intl Growth	GS
Vanguard World–US Growth	GS
Venture Advisers PO Box 1688 Santa Fe, NM 87504-1688 (800) 279-0279	
New York Venture Fund	ST
RPF of America–Equity Fund	ST
Venture Muni (+) Plus	MU
Vista Mutual Funds Chase Service Center PO Box 419392 Kansas City, MO 64141 (800) 348-4782	
Vista Capital Growth Fund	ST
Vista Growth & Income Fund	ST
Voyageur Fund Distributor 100 South Fifth Street Suite 2200 Minneapolis, MN 55402 (800) 553-2143	
Voyageur Colorado Tax-Free Fund	MU
Voyageur Minnesota Insured Fund	MU
Voyageur Minnesota Tax-Free Fund	MU
Waddell & Reed 6300 Lamar Shawnee Mission, KS 66202 (800) 366-5465 (local); (800) 366-5465	
United Accumulative Fund	ST
United Bond Fund	BD
United Continental Income Fund	BA
United Gold & Government Fund	FS
United Government Securities	BD
United High Income Fund	JU
United High Income Fund II	JU
United Income Fund	ST
United International Growth	FS
United Municipal Bond Fund	MU
United Municipal High Income	MU
United New Concepts Fund	ST
United Retirement Shares	BA
United Science & Energy Fund	ST
United Vanguard Fund	ST

Fund	Type
Washington Funds Distributors 1101 Vermont Avenue NW Suite 600 Washington, DC 20005 (202) 842-5300 (local); (800) 972-9274	
Growth Fund of Washington	ST
Weiss, Peck & Greer One New York Plaza New York, NY 10004 (800) 223-3332	
WPG Government Securities Fund	BD
WPG Growth & Income Fund	ST
WPG Growth Fund	ST
WPG Tudor Fund	ST
Weitz Securities 9290 West Dodge Road Suite 405 Omaha, NE 68114-3323 (800) 232-4161	
Weitz Series Fund–Value	ST
Westcore Funds Suite 1605 South 600 Seventeenth Street Denver, CO 80202 (800) 666-0367	
Westcore–Balanced Investment Fund	BA
Westcore–Basic Value Fund	ST
Westcore–Equity Income Fund	ST
Westcore–MIDCO Growth Fund	ST
Westcore–Modern Value Equity	ST
Wheat First Securities PO Box 1357 Richmond, VA 23211 (800) 472-0090	
Mentor Growth Fund	ST
MJ Whitman LP 767 Third Avenue 5th Floor New York, NY 10017 (800) 443-1021	
Equity Strategies Fund	ST
Third Avenue Value Fund	ST

Fund	Type
Winsbury Company 1900 East Dublin-Granville Road Columbus, OH 43229 (800) 451-8377	
American Performance Equity Fund	ST
ASO Outlook Group Equity Fund	ST
Emblem–Earnings Momentum Equity	ST
Emblem–Ohio Regional Equity Port	ST
Emblem–Relative Value Equity Port	ST
HighMark Income Equity Fund	ST
Parkstone Bond Fund	BD
Parkstone Equity Fund	ST
Parkstone High Income Equity	ST
Parkstone Intermediate Govt Oblig	BD
Parkstone Limited Maturity Bond	BD
Parkstone Michigan Municipal Bond	MU
Parkstone Municipal Bond	MU
Parkstone Prime Obligations	MM
Parkstone Small Cap	ST
Parkstone Tax-Free Fund	MM
Wood Logan 1455 East Putnam Avenue Old Greenwich, CT 06870 (800) 334-0575	
NA Security–Asset Allocation	BA
Wood, Struthers & Winthrop Management 140 Broadway 42nd Floor New York, NY 10005 (800) 225-8011	
Winthrop Focus Funds–Aggressive Grow	ST
Winthrop Focus Funds–Growth	ST
Winthrop Focus Funds–Growth & Income	ST
Yamaichi Global Fund Two World Trade Center Suite 9828 New York, NY 10048 (212) 466-6805 (local); (800) 257-0228	
Yamaichi Global Fund	GS
BC Ziegler & Co 215 North Main Street West Bend, WI 53095 (800) 826-4600	
Principal Preservation–S&P 100 Plus	ST
Zweig Securities Five Hanover Square 17th Floor New York, NY 10004 (800) 272-2700	
Zweig Series–Priority Selection-A	ST
Zweig Series–Strategy Fund-A	ST

*Will accept collect calls.

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

The downdraft in the stock market is not limited to growth stocks like U.S. Surgical or Egghead Inc. Hewlett-Packard, which announced that its July earnings will fail to meet analysts' expectations, dropped sharply in share price. Illinois Power, which is a far cry from a growth company, was another recent casualty after receiving an unfavorable (though preliminary) regulatory order.

Walter Stone, publisher of *Long-Term Technical Trends*, a monthly newsletter based in Boston, is predicting a sharp crash in stock prices, and thinks it will come soon. Stone believes the market is in the speculative bubble stage, and says: "Historically, a bubble is based on optimistic predictions. This bubble is based on negative predictions—the public is coming into the market because of falling interest rates. But interest rates are declining because business is not coming out of this recession."

Special focus

Not only does a weak dollar help U.S. exports by making American products more competitive overseas, it also boosts the dollar value of profits generated by foreign operations of U.S. corporations. Below, some corporations that derive 45% or more of sales from foreign operations; their bottom lines should benefit from a limp dollar.

Weak dollar plays

Company	'92 Est P/E
AMP	20
Avon Products	15
Coca-Cola	29
Colgate-Palmolive	18
CPC International	17
Gillette	23
Johnson & Johnson	20
McDonald's	16
Pfizer	25
Warner-Lambert	14

Sources: Value Line; IBES.

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	2.1%	8.7%	-2.4%
S&P/Barra Growth index	2.8	10.4	-3.0
S&P/Barra Value index	1.7	11.9	-1.3
Dow Jones industrials	1.5	10.8	-2.1
S&P 500	2.1	8.0	-1.1
NYSE	2.1	8.6	-0.9
Nasdaq	1.6	12.7	-11.0
Amex	1.9	6.3	-7.0
EAFE[1]	0.3	-10.1	-29.0
CRB index[2]	-0.7	-3.3	-25.3
Gold[3]	-2.7	35.7	-30.5
Yen[3]	0.7	-6.6	-22.2
Oil[3]	-4.6	-2.6	-48.9

The best and worst performing stocks[4]

Best	Price	2-week change	1992 EPS[5]	Worst	Price	2-week change	1992 EPS[5]
United Wisconsin Services	43 ½	64%	$2.67	Royal Appliance Mfg	9⅝	-54%	$1.01
Viewlogic Systems	13	33	0.58	Egghead	11¼	-36	1.27
HMO American	16 ⅛	32	1.20	Gitano Group	4⅛	-35	0.25
Gencare Health Systems	14 ½	32	1.05	Compression Labs	7¾	-35	0.30
Energy Ventures	11 ⅜	30	0.27	Zycad	3⅝	-29	0.49

The best and worst performing industry factors[6,8]

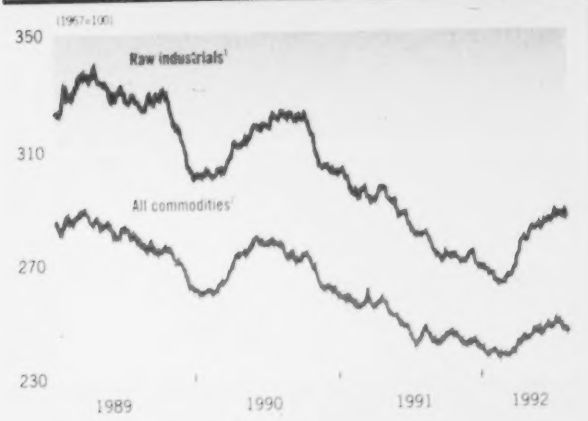
Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Coal & uranium	10.5%	-22.3%	Precious metals	-4.2%	5.6%
Photographic, optical	6.9	-5.1	Life insurance	-2.0	-2.3
Cosmetics	6.3	2.6	Health care	-1.5	-12.4
Leisure, luxury	5.9	22.9	Business machines	-1.3	1.0
Drugs, medicine	5.5	-8.8	Broadcasting, publishing	-0.9	13.4

Note: Data for period ending 8/6/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences, including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

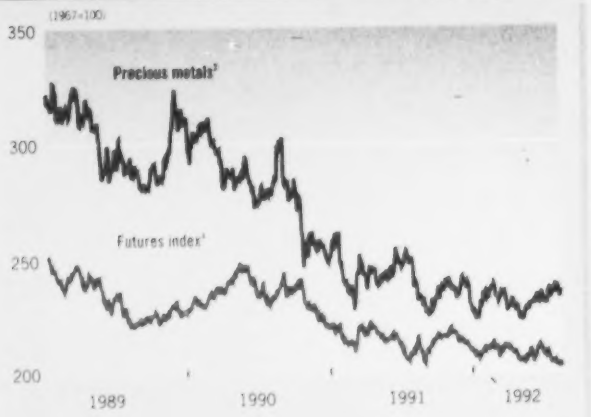
COMMODITIES REVIEW

BY ERIC S. HARDY

CRB Spot indexes



CRB Futures indexes



Short periods of volatility aside, the Commodity Research Bureau Futures Index has been trending modestly down since early 1991. In fact, this index is no higher now than it was during the Carter Administration in early 1978.

Is this good news or bad? Good, if you want to see low inflation and low interest rates. Bad, if you are a commodity trader and play off trend lines.

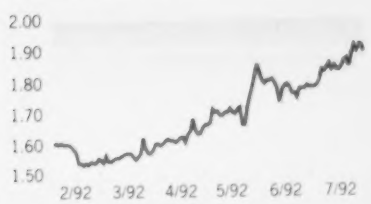
About the only action in the commodity markets these days is in energy contracts such as natural gas *(see lower left)* and in foreign exchange, where the dollar trades at near record-low levels against other currencies. A weak dollar is making U.S. exports more competitive. But the struggling economies of big U.S. trading partners like Canada and the U.K. have less demand for imports these days.

What of newer markets like China and Eastern Europe? "It's not a matter of demand for our commodities," says CRB analyst James Nevler. "Much more important is the amount of goods they [foreign customers] can pay for."

Chemical Banking Chief Economist Irwin Kellner pays more attention to the CRB raw industrials index than to the overall index. He is somewhat encouraged by the relative strength in such commodities as metals, cotton and rubber. Kellner interprets these price increases as a sign of a forthcoming economic rebound. Yet he doesn't expect a rebound in inflation. Rather, he predicts a reassuring combination of low inflation, gradually declining unemployment and real economic growth of 2.8% a year by the fourth quarter.

Commodity spotlight

Natural Gas ($ per million Btu)



It's just possible that the end of the natural gas glut, predicted for many years, is at hand. Gas prices have been rising the past few months on both the spot and futures markets. Energy consultant Peter Fusaro of White Plains, N.Y. says that the market reflects expectations of a cold winter and increased use of gas as a substitute for higher-polluting oil and coal.

Cash and futures prices

Spot indexes

Index[5]	Value	3-mo change
All commodities	245.35	1%
Raw industrials	285.25	2
Metals	276.45	5
Textiles	223.00	-3
Foodstuffs	197.21	-1

Futures indexes

Index[5]	Value	3-mo change
CRB index	203.11	-2%
Precious metals	236.36	6
Industrials	231.05	3
Grains	184.90	-8
Livestock & meat	174.89	0

Spot commodity prices

Index	Price	3-mo change
Steel scrap (short ton)	$88.50	-4%
Copper scrap (pound)	0.96	13
Print cloth (sq yard)	0.70	-11
Corn (bushel)	2.18	-11
Soybean oil (pound)	0.18	-5

Futures prices

Index	Price	3-mo change
Oct platinum (troy oz)	$385.10	11%
Oct crude oil (barrel)	21.77	7
Sept copper (pound)	1.13	12
Dec cotton (pound)	0.60	-4
Dec Chi wheat (bushel)	3.28	-13

Note: All prices as of 7/31/92. [1]Composed of 13 commodities. [2]Composed of the 13 raw industrial commodities plus 10 foodstuffs. [3]Gold, platinum and silver. [4]Composed of 21 commodities. [5]February 1993 contract. [6]Base for spot and futures indexes (1967=100). Source: Knight-Ridder Commodity Research Bureau.

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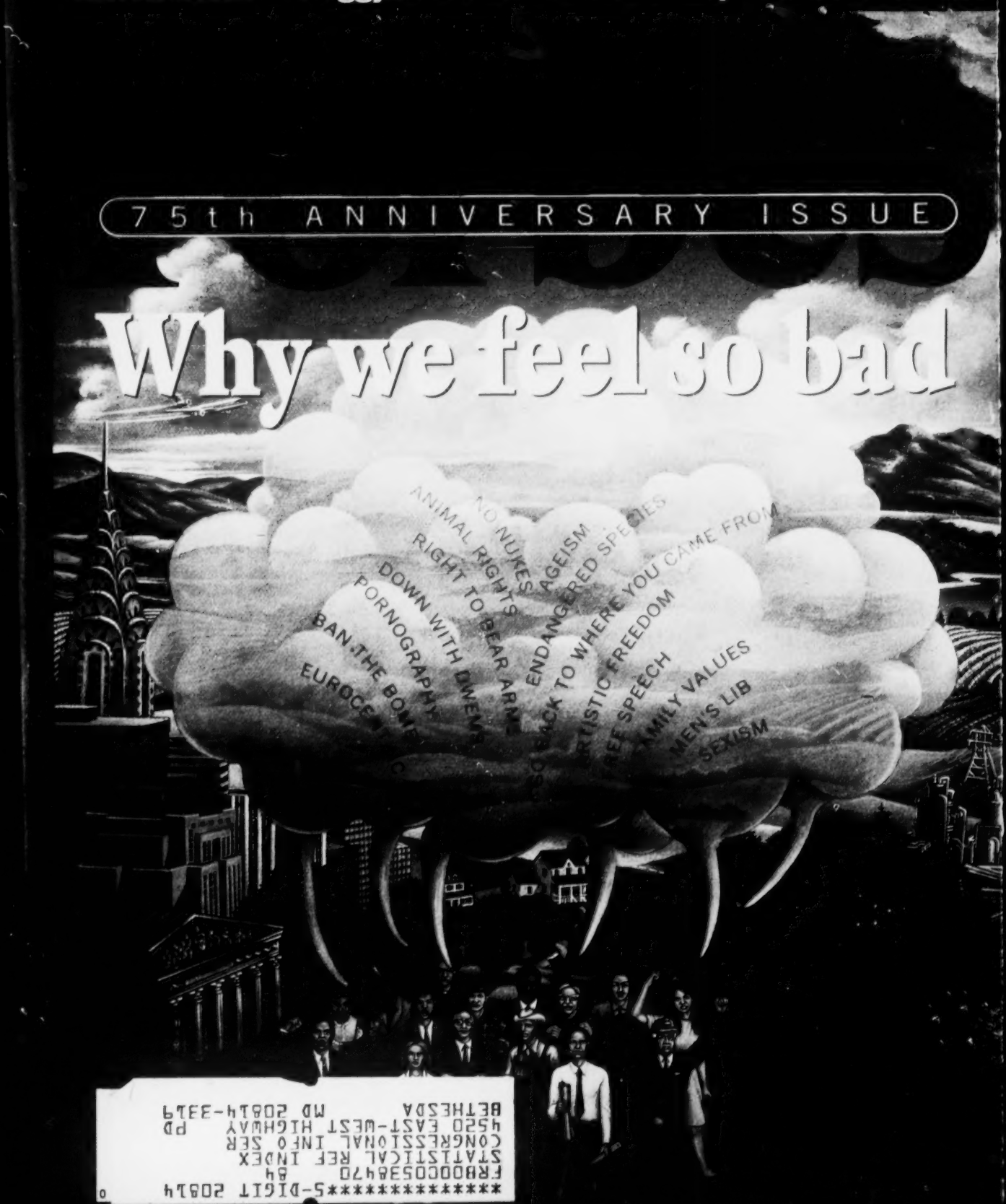
Articles by: John Ashbery • Saul Bellow • Henry Louis Gates Jr.
Alfred Kazin • Peggy Noonan • Dick Schaap • Simon Schama

75th ANNIVERSARY ISSUE

Why we feel so bad



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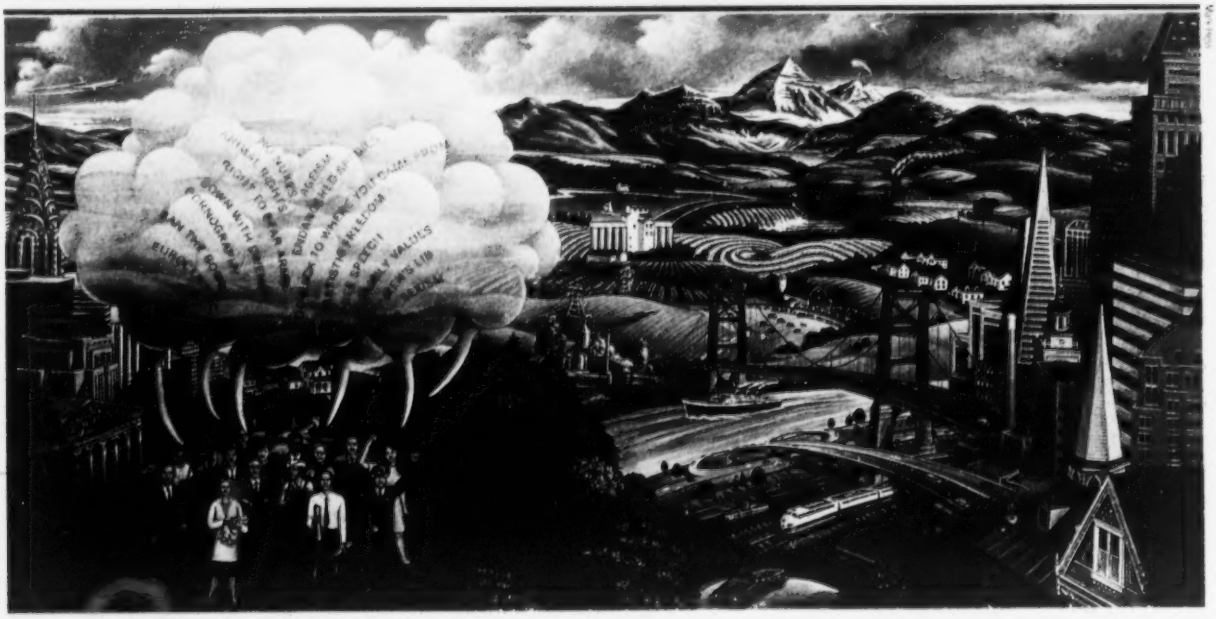

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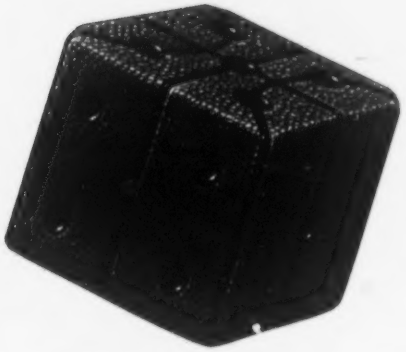

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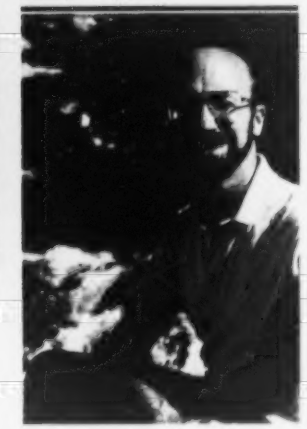

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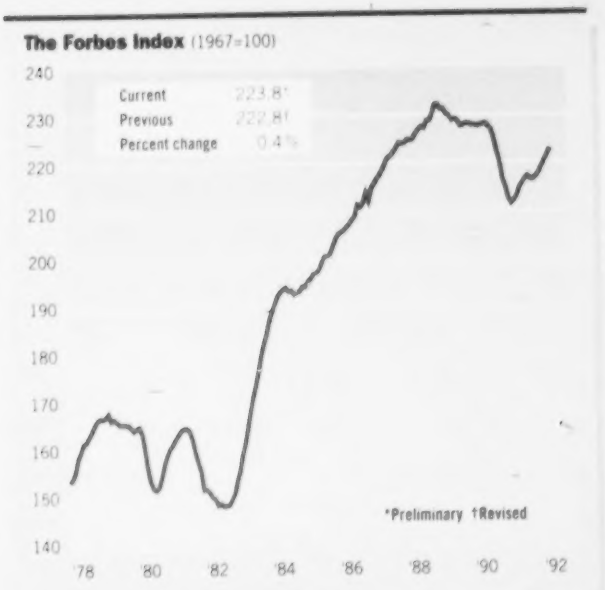


The Forbes Index hasn't suffered a decline since last November's 0.3% loss. Although the current inflation and interest-rate environment is quite accommodating, tangible evidence of an economic pickup remains elusive. Industrial production is back to where it was in March 1990, while the 12-month total of new housing starts through July is 12% below the July 1990 level.

Note: The government recently revised historical data on some economic indicators. As a result, we have replotted most of the graphs that appear on this page.

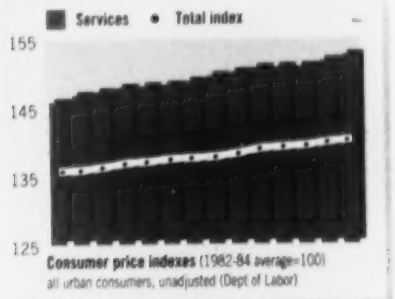
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.0%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.1%
Index of leading indicators June vs May	Dept of Commerce	-0.2%
Trade balance 12 months ended June1992	Dept of Commerce	-$70bil
All-commodity producer price index July vs June[2]	Dept of Labor	0.0%
GDP 2nd quarter vs 1st—annualized growth	Dept of Commerce	1.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-1.4%

[1] U.S.-based manufacturers, excludes imports, as of 8/10/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: The cost of services relative to all consumer prices; the level of new orders for durable goods compared with manufacturers' inventories; total industrial production; new housing starts; personal income; new claims for unemployment compensation; total retail sales; total consumer installment credit.

To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

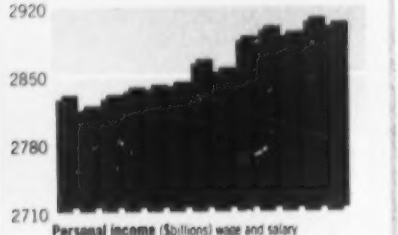


Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

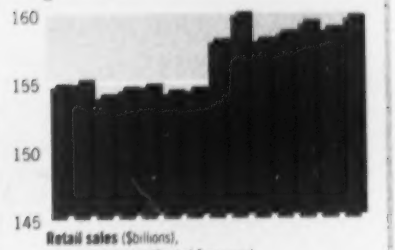
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

J J A S O N D J F M A M J J J J A S O N D J F M A M J J J J A S O N D J F M A M J J

Here's how a hypothetical $1,000 investment in each of the largest firms of 1917 would have fared. We excluded cash dividends, and assumed proceeds from cash buyouts and liquidations were reinvested in the S&P 500.

The top industrials of 1917

By Peter Newcomb

Rank	Company/current name	Return on $1,000 invested	Notes
1	**Associated Oil**	$807,176	Based on Tidewater Oil, Getty Oil shares received in 1929, 1967 mergers.
2	**RJ Reynolds Tobacco**/RJR Nabisco	449,260	Taken private 1989.
3	**General Electric**	281,075	Includes distributions of Electric Bond & Share, RCA and Boise Cascade.
4	**Gulf Oil**	248,880	Includes Texas Gulf Sulphur distribution 1948. Based on Chevron shares.
5	**Mexican Petroleum**	233,602	Acquired by Pan American Petroleum and Transport 1919.
6	**Procter & Gamble**	209,824	Initial stock price based on 1917 average.
7	**El du Pont de Nemours**	172,935	Includes value of 6 distributions of General Motors stock.
8	**Standard Oil of New Jersey**/Exxon	162,955	
9	**Vacuum Oil**	161,352	Based on Mobil Oil shares when merged with Standard Oil of New York 1931.
10	**Eastman Kodak**	148,283	
11	**International Paper**	136,553	
12	**Atlantic Refining**/Atlantic Richfield	130,171	Name changed 1966.
13	**National Biscuit**/RJR Nabisco	127,167	Investment assumes acceptance of 1985 cash offer from RJ Reynolds.
14	**General Motors**	113,143	Includes value of distributions of Class E and Class H shares.
15	**Ford Motor**	109,847	Investment based on values ascertained by Dodge brothers buyout 1917.
16	**Standard Oil of Indiana**/Amoco	102,424	Includes distributions of Exxon; name changed 1985.
17	**Ohio Oil**/Marathon	94,246	Name changed 1962; shares bought for cash by US Steel 1982.
18	**American Tobacco**/American Brands	87,070	Includes Mobil shares received 1921; name changed 1969.
19	**Sears, Roebuck**	85,953	
20	**Aluminum Co of America**	72,014	Investment started 1918; includes distributions of Alcan, Niagara Mohawk.
21	**Union Oil of California**/Unocal	71,355	Includes distribution of Union Exploration Partners units 1985.
22	**Deere & Co**	68,985	Investment started 1927.
23	**American Can**/Primerica	68,183	Name changed 1987.
24	**Standard Oil of California**/Chevron	66,070	Name changed 1984.
25	**Utah Copper**	63,003	Kennecott shares received in 1923 merger; bought by Standard Oil of Ohio 1981.
26	**FW Woolworth**	59,867	
27	**Union Carbide & Carbon**/Union Carbide	54,829	Initial stock price based on December 1917 average.
28	**Cities Service**	53,363	Based on Occidental Petroleum preferred shares received in 1982 merger.
29	**US Smelting Refining & Mining**	52,207	Assumes cash value of Alaska Gold distribution 1975; company liquidated 1979.
30	**Corn Products**/CPC International	50,106	Includes Allied Mills stock received in distribution 1936; name cnanged 1969.
31	**National Bank of Commerce**	50,071	Based on Guaranty Trust shares received in 1929 merger.
32	**Texas Co**/Texaco	47,844	Name changed 1959.
33	**Swift & Co**	47,369	Based on Esmark shares when merged 1973; bought by Beatrice Foods 1984.
34	**International Nickel**/Inco	41,281	Based on Class A stock when common stock reclassified 1974.
35	**Standard Oil of New York**/Mobil	39,147	Name changed 1966.
36	**Westinghouse Electric**	38,664	RCA stock received in distribution; bought for cash by GE 1986.
37	**Kennecott Copper**	38,267	Received cash upon 1981 buyout by Standard Oil of Ohio.
38	**Magnolia Petroleum**	36,962	Investment started 1918.
39	**Pullman**	32,122	Includes distributions of Pullman Transportation, Henley Group.
40	**Pacific Gas & Electric**	29,366	

The giants of 1917

Rank	Company/current name	Return on $1,000 invested	Notes
41	**Guaranty Trust**	$28,500	Based on Morgan Guaranty shares in 1959 merger; bought by JP Morgan 1969.
42	**American Car & Foundry**/ACF Industries	27,861	Name changed 1954; received cash upon 1984 leveraged buyout.
43	**National Lead**/NL Industries	25,640	Name changed 1971.
44	**Goodyear Tire & Rubber**	24,442	Initial stock price based on 1917 average.
45	**Virginia Carolina Chemical**	22,993	Based on Mobil Oil shares received in exchange when merged 1963.
46	**General Chemical**	22,629	Original investment in General Chemical; consolidated to form Allied Chemical 1920.
47	**Atchison, Topeka & Santa Fe RR**	21,120	Merged into Santa Fe Industries 1970, Santa Fe Southern Pacific 1983.
48	**P Lorillard**	21,120	Based on cash value of warrants, debentures received on Loew's merger 1968.
49	**American Woolen**	21,009	Based on Textron shares received when merged 1955.
50	**United Shoe Machinery**	20,792	Based on Emhart shares received in exchange when acquired 1976.
51	**American Sugar**/Amstar	18,608	Name changed 1970; bought for cash by Kohlberg Kravis Roberts 1984.
52	**Ohio Cities Gas**/Pure Oil	17,187	Name changed 1920; merged into Unocal 1965.
53	**Liggett & Myers**	16,832	Received cash for shares when bought by Grand Metropolitan 1980.
54	**United Fruit**/Chiquita Brands	15,895	Based on United Brands stock received 1970; name changed 1990.
55	**Prairie Oil & Gas**	15,550	Based on Sinclair Oil shares received when merged with Consolidated Oil 1932.
56	**Jones & Laughlin**	15,536	Investment started 1933; shares bought for cash 1974 by LTV.
57	**Atlantic Gulf & West Indies SS Lines**	15,512	Based on 1953 cash value of liquidation rights.
58	**Southern California Edison**/SCEcorp	15,472	Name changed in merger 1988.
59	**Crucible Steel**	14,570	Based on Colt Industries shares received in exchange when merged 1968.
60	**Southern Pacific**	14,460	Based on Santa Fe Southern Pacific shares received when merged 1983.
61	**American Smelting & Refining**/Asarco	14,403	Name changed 1975.
62	**Lackawanna Steel**	14,379	Based on Bethlehem Steel stock received in exchange when acquired 1922.
63	**US Rubber**/Uniroyal	13,906	Name changed 1967; taken private 1985.
64	**Chile Copper**	12,881	Based on Anaconda shares received in exchange when acquired 1929.
65	**BF Goodrich**	11,744	
66	**American Telephone & Telegraph**	11,115	Based on shares received in 8 companies on 1984 divestiture.
67	**Greene Cananea Copper**	11,031	Based on Anaconda shares received in exchange when acquired 1929.
68	**Youngstown Sheet & Tube**	10,413	Price based on 1917 average; bought by LTV 1978.
69	**First National City Bank of NY**/Citicorp	9,958	Name changed 1974.
70	**American Agricultural & Chemical**	9,571	Based on Continental Oil preferred shares received when acquired 1963.
71	**Armour & Co**	9,234	Investment started 1925; merged into Greyhound 1970.
72	**Northern States Power**	7,841	
73	**Phelps Dodge**	7,427	
74	**American Locomotive**	6,523	Based on cash value of 1975 liquidation.
75	**Cudahy**	5,838	Price based on 1917 average; shares bought for cash by General Host 1972.
76	**International Mercantile Marine**	5,750	Based on US Lines stock received in exchange when acquired 1943.
77	**Pittsburgh Coal**	5,711	Based on shares received in 1966 liquidation.
78	**Central Leather**	5,466	Based on cash value of liquidation rights 1953.
79	**WR Grace**	4,919	Investment started 1949.
80	**Anaconda**	4,868	Based on Atlantic Richfield stock received in exchange when acquired 1977.
81	**Singer**	4,657	Investment started 1913; includes shares received in 3 distributions.
82	**Inland Steel**	4,438	
83	**US Steel**/USX-US Steel; USX-Marathon	3,776	Name changed 1986; split into two corporations 1991.
84	**Midvale Steel & Ordnance**	3,352	Based on Bethlehem Steel and Midvale stock received when acquired 1923.
85	**Great Northern Iron Ore Properties**	2,519	Price based on December 1917 average.
86	**Bethlehem Steel**	2,297	
87	**Lehigh Coal & Navigation**	2,216	Liquidated 1969.
88	**Wilson & Co**	1,673	Based on LTV stock received in exchange when acquired 1967.
89	**Cambria Steel**	1,608	Price based on 1917 average; based on Bethlehem Steel stock received 1923.
90	**International Harvester**/Navistar Intl	1,056	Price based on December 1917 average; name changed 1986.
91	**Chase National Bank**	694	Based on Chase Manhattan stock received in exchange when acquired 1955.
92	**Baldwin Locomotive Works**	536	Based on Armour & Co stock received in exchange when acquired 1965.
93	**New York Central**	107	Based on Penn Central stock received in exchange when acquired 1968.
94	**Pennsylvania RR**	62	Based on Penn Central stock received in exchange when acquired 1968.
95	**Republic Steel**	29	Based on LTV stock received in exchange when acquired 1984.
96	**Colorado Fuel & Iron**	—	Worthless in 1935.
97	**Consolidation Coal**	—	Worthless in 1932.
98	**Cuba Cane Sugar**	—	Worthless in 1930.
99	**Studebaker**	—	Worthless in 1935.
100	**Willys-Overland**	—	Worthless in 1936.

Long scorned by Wall Street, investment letters have produced advice that is, on average, at least as good as that of the establishment. Mark Hulbert and his computers have established this beyond reasonable doubt.

The anomalists

By Peter Brimelow

SHORTS AND T SHIRTS are the summer dress code at the *Hulbert Financial Digest*'s offices in the quaint Old Town district of Alexandria, Va. But as Mark Hulbert's seven-person staff straggle out of the hazy morning sun into the Victorian town house where he lives and works, the *HFD* editor and FORBES columnist has been tapping away at his computer keyboard for hours. And the cheerful greetings that he calls out from his screen come with a burst of instructions for the day.

Any casual appearance is strictly superficial at the *HFD*. Its monthly monitoring of investment letter performance—currently Hulbert follows about 130 letters that recommend more than 375 separate portfolios—requires relentless discipline, exhaustive attention to detail and cavernous computer capacity. Plus, Mark Hulbert is the compleat small businessman, handling everything from advertising to subscriber zip codes with no visible strain apart from a periodic gentle moaning about not getting more done.

The reward for all this effort: Hulbert has just completed his twelfth year in business. Subscriptions ($135 annually) are close to a record at 14,000. His monitoring has now shown conclusively that the much-maligned investment letter industry actually delivers advice that on average is as good as that delivered by Wall Street *(see table, pp. 448-49)*. And, because investment letters are extraordinarily varied and flexible in their techniques, Hulbert's comprehensive study of their results is enabling him to form an answer to the great riddle of financial markets: Can they be beaten—and how?

"About a fifth of the investment letter universe appears to beat the market over the long term," says Hulbert, pointing out that less than 20% of all mutual funds outperform the market. Says he: "Over the last ten years FORBES' mutual fund database shows that the Vanguard Index 500 outperformed 81% of all equity mutual funds."

When Hulbert began monitoring investment letters, checking prices in the Securities & Exchange Commission's library and blistering his fingers working out portfolio performance on a desk calculator, academic thinking about financial markets was dominated by the "Efficient Market Hypothesis." This held that information was so quickly reflected in prices that no research could possibly find anything in time to buy or sell before the stock reacted. An index fund, reflecting the market as a whole, was essentially unbeatable.

"But academia has come a long way in the last few years," Hulbert notes benevolently. A younger generation of academics has begun to publish research, in places like the *Financial Analyst's Journal*, illustrating the existence of "anomalies" in the mar-

Hulbert Financial Digest's Mark Hulbert
Questing Quaker.

ket's overall efficiency. For example, a stock that is moving more strongly than stocks in general tends to carry on doing so. Theoretically, an efficient market should quickly spot and swamp this "relative strength." But in fact it does not.

The investment letter industry anticipated academe. Like plants growing in a wall, most successful letters turn out to be rooted in one or another of these anomalies. A process of natural selection operates: The computer revolution has made letters increasingly easy to produce (as well as monitor), so a myriad of them are always floating about trying new methods. And some work—at least for a while.

Hulbert's monitoring leads him to two further conclusions:

"Typically, about 40% of the letters seem to be able to add value through market timing," he says *(see table, p. 450, top)*. This is a particularly remarkable finding given the general bullishness of the last 12 years. By definition, market timers can at best match a rising market. They can add value only when the market goes down.

And a true bear market goes down

Twelve-year total return

Investment letter	Appreciation (1980-92)†
The Chartist Reclusive Editor Dan Sullivan uses proprietary version of relative strength method, plus adroit timing. Moderately active trader. Cautious about outlook for 1990s. Average of two portfolios, one of which reflects own actual account.	665.23%
****Noload Fund*X** (portfolio of "higher-quality growth" funds) Best of Editor Burton Berry's four mutual fund portfolios, designed for different risk preferences and selected by mechanical system based on previous year's record only. Average up 334%, this one boosted by exceptional 1985-86 performance.	632.60
Value Line Investment Survey First and most famous hole in Efficient Market Hypothesis, the long-established reference service's mixed fundamental-technical system attracted academic attention as far back as 1971. Triumphant over periodic (1983-84, 1988-89) wobbles.	620.69
The Zweig Forecast Former finance professor Marty Zweig has parlayed his hybrid fundamental-technical system into money management empire. Active trader favoring small stocks. Recent performance outpaced by own Zweig Fund, possibly because large following has forced him into more liquid issues.	608.69
The Dines Letter (Long-Term Growth Portfolio) Veteran goldbug James Dines still coasting on extraordinary burst of rapid trading in 1983. Three other portfolios, overall average gaining just 38.3%.	558.19
DJIA total return	**528.12**

†Through June 30, 1992

TAXING Q

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Investment letter	Appreciation (1980-92)†
Value Line OTC Special Situations Service Editor Peter Shraga doesn't use sister service's rating system, trades relatively infrequently, uses fundamental analysis to select stocks, has periodically outpaced Dow. Strong 1991.	498.47%
S&P 500 total return	**479.03**
Wilshire 5000 total return	**432.67**
The Prudent Speculator Editor Al Frank's combination of fundamental analysis and maximum margin outpaced the market for long stretches, survived being fully invested in 1987 crash. Model portfolio reflects own actual account.	428.86
Dow Theory Forecasts (Investment List) Old established service, traditional fundamental stock picker, no market timing despite name. Five portfolios, some much weaker, average up 280.1%	419.48
Growth Stock Outlook Veteran Editor Charles Allmon favors intense fundamental research, small companies. After outpacing market until 1986, has stood aside expecting major collapse. Still beats market on risk-adjusted basis.	417.41
Treasury bill portfolio	**141.00**

†Through June 30, 1992.

Mark Hulbert has followed 33 portfolios since 1980, of which 6 are ahead of the broad market (counting reinvested dividends). That compares well with the mutual fund industry's record.

for several consecutive years. "Contrary to the general impression, that's when investment letters should come into their own," says Hulbert. "Not just for market timing, but also for stock selection, because of Wall Street's institutional bias against sell signals." (Sell signals annoy underwriting clients and depress customers—and commissions.)

Hulbert's second conclusion: The asset allocation decision is more crucial than is generally recognized. "The stock market can be beaten, but it's hard," he says. "And it can't be beaten by much in any consistent way. The top 12-year performers outpaced it only by about five percentage points a year on average. But most people aren't going to put all their money in stocks. And the effect of having your portfolio slightly more weighted to cash, or bonds, or gold is vastly more powerful."

The investment letter industry in its blind, groping way has sensed this. Recently, increasing numbers of letters have begun offering systematic asset allocation advice. Hulbert's evidence is still fragmentary *(see table, p. 450, bottom)*. But it seems to suggest

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evenue other than taxes?

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A computer mapping system helps locate and solve parking problems, dramatically improving traffic flow. Conveniently located hearing centers use imaging technology so citizens can resolve violations faster—by phone, mail or in person. **No more long waits** in traffic court. And, the city is providing citizens a valuable service.

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Twelve-year timing-only results

Investment letter	Appreciation (1980-92)†
Telephone Switch Newsletter (equity/cash timing model)	523.53%
Bob Nurock's Advisory (Technical Market Index, 100% cash on sell signals)	499.86
Market Logic (recommended exposure to stock market)	478.17
Professional Timing Service (Supply/Demand Formula, no shorting)	436.54
Elliott Wave Theorist (Investors: 100% cash on sells)	433.98
Wilshire 5000 value-weighted total return index	**432.68**
Value Line Investment Survey (market timing model, no shorting)	395.23
Dow Theory Letters (grading of primary trend, 100% cash on sells)	344.24
Dines Letter (100% cash on short-term sells)	339.29
Granville Market Letter (100% cash on sell signals)	329.79
Bob Nurock's Advisory (Technical Market Index, 100% short on sells)	265.36
Professional Tape Reader (mutual fund timing model)	238.89
Treasury bill portfolio	**159.54**

†Through June 30, 1992

Hulbert's record from 1980 for 11 market-timing portfolios, switching between cash and the Wilshire total return index. As usual, they do better than stock pickers.

that the chances of beating a strategy of equal division between the main markets are even better than timing the stock market, he says.

Hulbert's answer to the riddle of the investment markets: Yes, they can be beaten. But how? The answer here is surprisingly open. "Almost any method seems to work in the right hands," Hulbert says. Some successful letters trade actively, like Martin Zweig's *Zweig Forecast*; others infrequently, like Jim McCamant's *Medical Technology Stock Letter*. Some study company balance sheets and earnings statements, like Tom Bishop's *BI Research*; others focus on price action, like Dan Sullivan's *The Chartist*. There is no successful astrology letter, but Robert Prechter's *Elliott Wave Theorist* is based on an esoteric numerology system.

Asset allocation 3.5-year results

Investment letter	Appreciation (1989-92)†
FXC Report	46.98%
Donoghue's Moneyletter—Venturesome Portfolio	43.08
Standard & Poor's Outlook	42.24
Mutual Fund Letter—All Weather Portfolio	41.37
Investech Mutual Fund Advisor	40.03
Peter Dag Investment Letter	37.05
Kinsman's Telephone Growth & Income Service—Mutual Funds Portfolio	31.54
Garside Forecast—Aggressive Fund Switchers	31.45
Fund Exchange—Aggressive Balanced Portfolio	30.85
Fund Exchange—Conservative Balanced Portfolio	29.98
Stock-Bond-Gold-Cash Composite	**28.88**
Harry Browne's Special Reports—Permanent Portfolio	27.44
Growth Fund Guide	25.82
Garside Forecast—Total Return Fund Switchers	17.80
Buy and hold in stocks	**60.28**
Buy and hold in bonds	**46.30**
Treasury bill portfolio	**25.19**
Buy and hold in gold	**-16.27**

† Through June 30, 1992

A clear majority of the 13 asset-allocation portfolios beat a strategy that equally divided assets among stocks, bonds, gold and cash—the real-world dilemma that most investors face.

Unfortunately, in the wrong hands every method can also fail.

Hulbert argues, and some academics concur, that superior advisory performance tends to persist. But one year's performance could be just blind luck. A record of some years is needed. "It starts to become clear between about three to five years," he says *(see table, p. 454)*. Still, he thinks he can spot some winners who've just begun. New letters that have attracted his attention: John Hussman's *Hussman Econometrics*; Dan Sullivan's *The Chartist Mutual Fund Timer*.

"I look for particularly strong performance without wild volatility," Hulbert says. "And there are some subjective factors I hate to make public—like intellectual honesty."

"I am a Quaker," reads a sign in Hulbert's office, "in case of emergency, please be quiet." He takes his pacifism seriously—he is a vegetarian on ethical grounds—but his profession can't help much. Investment letter editors are notoriously unpacific when their records are exposed. The *Dines Letter*'s James Dines, who is particularly vulnerable to objective monitoring, was recently quoted in the *New York Times* denouncing Hulbert as "a little jerk." (He is actually 6 foot 2.) Some editors have even tried legal assaults. All such suits have failed.

In fact, in his pacific way, Hulbert is embroiled in quite a controversy on the Quaker front, too. He may still look like a student radical—and his bookshelves still bulge with the Hegel and Marx that fascinated him at Haverford and Oxford—but he now regards himself as a libertarian. And, with others, he is working to reduce the hostility some Quaker organizations have recently shown to capitalism, causing Quakerism to be widely regarded as just another feather in the

liberal wing of the Democratic Party, and return it to what he argues are its free market, private property origins.

"Many of the original Quakers were successful businessmen," he points out.

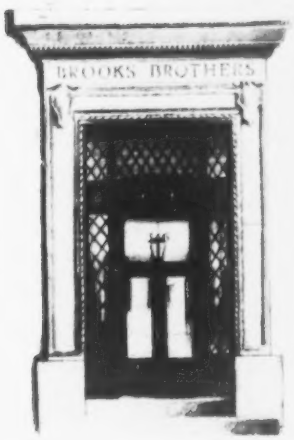
At 36, Hulbert is still a bachelor. But his staff is speculating about his latest girlfriend. A graduate of Harvard Law School, she's possibly the only other Kansas-born vegetarian Quaker in the world. ■

Five-year total return

Investment letter	Appreciation (1987-92)‡
BI Research	211.92%
OTC Insight*†	170.34
MPT Review*	163.09
The Chartist*	98.18
Medical Technology Stock Letter*	96.89
Investment Quality Trends	90.50
Systems and Forecasts*	89.79
Value Line Convertibles	89.66
Fidelity Monitor*	87.71
Zweig Performance Ratings Report	84.87
The Zweig Forecast	82.71
The Value Line OTC Special Situations Service	80.79
The Big Picture*	66.98
Switch Fund Timing*	64.56
Fundline*	63.08
Mutual Fund Forecaster	60.56
DJIA total return	**60.23**
S&P 500 total return	**58.96**
Wilshire 5000 total return	**54.50**
Investech Mutual Fund Advisor	52.92
Investors Intelligence*	52.84
The Mutual Fund Strategist*	50.01
The Investment Reporter*	49.15
Value Line Investment Survey	48.90
Dessauer's Journal	47.60
New Issues	47.59
United Mutual Fund Selector*	45.66
Fund Exchange*	43.65
Personal Finance*	42.97
Investech Market Analyst	42.54
Growth Stock Outlook	41.80
California Technology Stock Letter	41.53
The Peter Dag Investment Letter*	40.20
The Mutual Fund Letter*	39.87
The No-Load Fund Investor*	38.58
The Marketarian Letter*	35.71
Investment Horizons	34.07
The Insiders	32.81
The Professional Tape Reader*	30.73
Mutual Fund Investing*	30.49
Treasury bill portfolio	**28.00**

* Average of several portfolios. † Performance over 4 years, 11 months. ‡Through June 30, 1992.

Sixteen of the 78 letters (and 43 of the 151 portfolios) on which Hulbert has data for the last five years have beaten the market. Will some turn out to be investment superstars?



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THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

Equity investors have enjoyed one of the nicest rides ever during the bull market that started ten years ago, on Aug. 17, 1982. The S&P 500, which over most of this century has averaged a compound annual total return of only 10%, averaged 19% a year during the past decade. But the momentum and enthusiasm of a few years ago has fallen off dramatically.

Does this mean the bull market is over? Al Frank, whose *Prudent Speculator* newsletter ranked among the best during the past 12 years *(see p. 449)*, concedes it's a lot harder to pick winners than it was in the 1980s. "But there are always some good buys out there," he adds. Frank's small list of picks is composed mostly of small companies like Quantum, which manufactures computer disk drives, and Raymond James Financial, a stock brokerage in Florida. In addition, Frank likes Boeing, which trades at only eight times earnings.

Special focus

Few companies have paid dividends consecutively for a century or more; most are banks, utilities or insurance firms. Bank of New York, which has the longest consecutive payout, hasn't missed an annual dividend since 1785. Excluding financial companies and utilities, these ten firms have the longest histories of uninterrupted payouts.

Old faithfuls

Company	Dividend since
Stanley Works	1877
Corning	1881
Affiliated Publications	1882
Exxon	1882
Carter-Wallace	1883
Eli Lilly	1885
Allied-Signal	1887
Procter & Gamble	1891
Times Mirror	1892
Westvaco	1892

Source: Standard & Poor's Stock Guide

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-0.6%	7.2%	-3.0%
S&P/Barra Growth index	0.1	9.2	-3.0
S&P/Barra Value index	-0.8	10.8	-2.2
Dow Jones industrials	-1.1	9.9	-3.2
S&P 500	-0.6	6.9	-1.6
NYSE	-0.5	7.5	-1.4
Nasdaq	-1.1	9.6	-11.9
Amex	-1.0	4.8	-7.9
EAFE	-1.8	-12.4	-30.3
CRB index	-1.5	-4.4	-26.4
Gold	-3.3	-4.8	-32.8
Yen	-0.9	-8.4	-22.9
Oil	-1.9	-2.2	-47.9

The best and worst performing stocks[5]

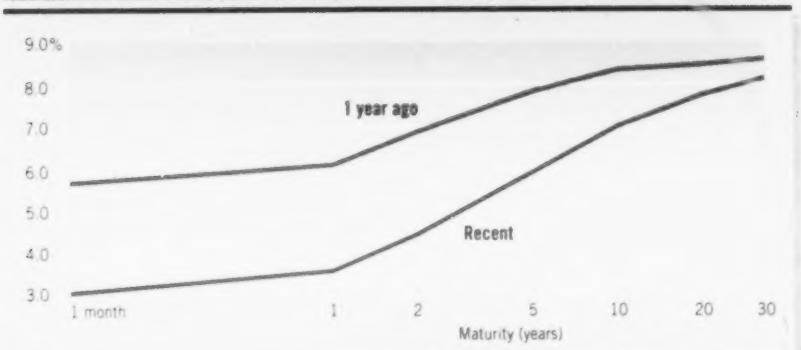
Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
American Biodyne	20 ½	30%	$0.73	Presley Cos	3⅛	-47%	$0.53
AdvaCare	10	27	0.27	Radius	6¼	-42	0.67
BE Aerospace	13 ½	25	1.09	Intl Murex Technologies	8⅛	-38	NA
Rochester Comm Svg Bk	9 ½	24	0.50	SyStemix	22	-38	-1.69
Home Nutritional Svcs	14 ⅛	23	1.07	Plains Resources	9¼	-35	0.09

The best and worst performing industry factors[6,8]

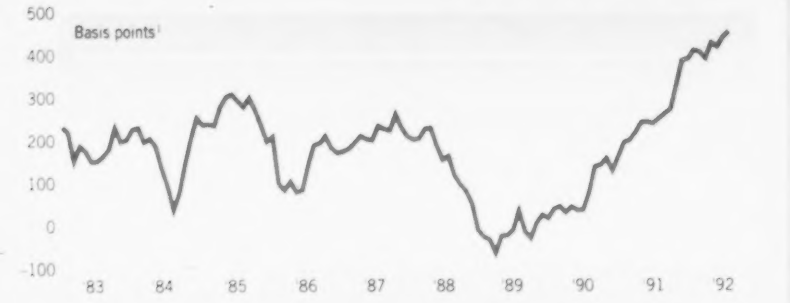
Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Oilfield services	6.2%	10.3%	Precious metals	-9.4%	-4.6%
International oil	2.2	3.0	Real estate	-8.0	-18.2
Beverages	1.7	15.0	Oil refining, distribution	-6.3	-8.3
Retail	1.7	3.7	Business machines	-4.8	-3.9
Photographic, optical	1.2	-4.7	Iron & steel	-4.2	3.1

Note: Data for period ending 8/20/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [5] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [6] Total return of more than 300 large-capitalization stocks characterized by low price to book ratios, high yields and low price-to-earnings ratios. [8] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [9] Index of 21 commodity futures. Knight-Ridder Financial information. [7] During the last two weeks. Estimate Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences, including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

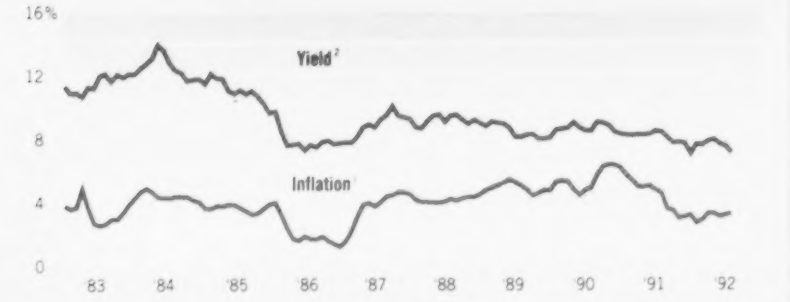
Yield curve



30-year rate minus 1-year rate



Yield vs. inflation



Spread over Treasurys

Security	Basis points[1]
AA corporates	52
AAA industrials	40
Ginnie Maes	124
Junk corporates[4]	544
Municipals	238

Total returns

Security	1 year[6]	3 years[6,7]
AAA corporates	16.7%	11.1%
Ginnie Maes	13.2	11.5
Junk corporates[4]	22.9	12.9
Municipals[5]	13.7	9.8
Treasury bonds	15.1	10.3

Note: Except where footnoted, all information provided by Barra, Inc., Berkeley, Calif. [1]A basis point is equal to one-hundredth of a percentage point. [2]Yield on ten-year Treasurys. [3]The trailing 12-month increase in the Consumer Price Index. [4]Source: First Boston. [5]Source: Lehman Brothers. [6]Data through 7/31/92. [7]Annualized.

Bond buyers these days are surprisingly cavalier about the risk of default. For example, the spread between riskless U.S. Treasury paper and AAA-rated industrial bonds *(see below, left)* has fallen to a minuscule 0.4%. That is barely enough to compensate for the fact that the corporate bond is subject to state and local income taxes, while the Treasury is not.

Now throw in the fact that many corporate bonds are callable, while almost all Treasurys are not. The bottom line: The taxable buyer of a high-grade corporate bond often gets nothing to offset the risk that the bond will go into default.

There don't appear to be any bargains further down the quality scale, either. The spread between noncallable A-rated corporates and Treasurys is about 0.7% for a five-year maturity, according to the Salomon Brothers *Bond Market Roundup*.

A single A– rated firm such as GMAC (the captive finance arm of General Motors) still has relatively high coupon bonds outstanding that are trading near par. But the apparent bargains vanish on close inspection. The GMAC 7.85% of 1998, for example, sells at 101½ but is destined to be called in October at 100.8. The yield to call is below 4%.

Terran Miller, an analyst who follows the electric utility debt market for Merrill Lynch, points out that the highest-rated utility bonds (such as Tampa Electric and Northern States Power) still pay 70 basis points more than Treasurys do. The risk is fairly low. But then, few would have imagined two decades ago that then A-rated Public Service of New Hampshire would default on its unsecured debt obligations.

The weak economy raises risks of credit problems. "This is like a new depression. I've never seen this little worldwide [economic] activity before," says economist Sam Nakagama of Nakagama & Wallace, Inc. But this kind of gloom is bullish for Treasury holders. Nakagama expects the 30-year Treasury yield (currently 7.4%) to slip another 50 basis points or so this year.

Like a lot of popular superstitions, the so-called summer rally is just that—a superstition.

Fairy tales

BY DAVID DREMAN

David Dreman is managing director of Dreman Value Management, L.P., investment counsel, New York, and author of *The New Contrarian Investment Strategy*.

EXPERT OPINION was convinced that the market rallied every summer when B.C. Forbes published the first issue of this magazine back in 1917. Experts are equally convinced it occurs today. Recently, guru after guru has attributed the strong market of late July to the inevitable summer move, some stating it has become even more pronounced in recent years.

The 75th Anniversary Issue is an appropriate place to put this old chestnut to the test. And to rest.

Okay, how well have stocks done in the summer months over this long time span? To start with, let's look at how the rally is calculated. Generally speaking, the advocates measure the percentage difference between the market high and low in the summer quarter (ending Sept. 30) and take the difference as the summer rally. If the Dow, as a proxy for the market, for example, went up 12% from its lowest to its highest point in the quarter, this would be the rally.

Has anyone measured the summer gain and compared it with the percentage changes in the first, second and fourth quarters to see if it is the largest? Heck no. Why bother when the savants are convinced they already know the answer? So the myth of summer rallies flourishes.

Let's put it to a test. I examined the highs and lows of the Dow Jones industrial average for each quarter over the past 75 years. The next step was to calculate the percentage change for each of the 75 summer quarters and derive from them an average. The final step was to calculate percentage changes for the first, second and fourth quarters over these same three-quarters of a century.

Good-bye, myth.

As the table clearly shows, the summer rally exists only in the minds of true believers. Over the past 10-, 20- and 30-year periods, rather than being ahead, stocks showed the second-worst results in the summer quarter, lagging the first and fourth quarters in every period. Over the full 75 years of the study, the fourth-quarter move was significantly ahead of the third, which in turn was only marginally better than that of the second. To sum up, the summer rally, like Beta, the Efficient Market Hypothesis and scads of other Street theories, fades away when subjected to testing.

There is a lesson here for the intelligent investor. The myth of the summer rally shows how a popular idea can be accepted by thousands of experts over generations, with nary a one of them bothering to check if any evidence supports it. This magazine over the years has repeatedly questioned widely held beliefs, challenging the experts in the interests of saving big bucks for investors.

Next time a stockbroker advises you to buy stocks for a summer rally, tell him that when you want astrological advice you'll consult an astrologer.

And go back to buying stocks that offer good relative value. Like:

American International Group (93) is one of the best managed companies in the insurance industry. Earnings have increased at a 14% compound rate over the past decade and should be up about 8% in 1992. The stock trades at a P/E of 12 and yields 0.6%.

Apple Computer (43) has had wild price swings this year, as analysts have forecast the near-demise of the PC industry. Despite The Street's gloom, Apple's earnings should be up over 15% to a record high in 1992 (fiscal year ends Sept. 30), with a further gain likely in 1993. The stock trades at a P/E of 10 and yields 1.1%.

Woe to the computer company that misses Street estimates by even a smidgen. This happened recently to *Hewlett-Packard* (56), one of the leaders in instrumentation and smaller computer systems. With the announcement that earnings would be behind quarterly estimates, but up as much as 15% for the September quarter, the stock plunged almost 13 points in a single day. It appears cheap at a P/E of 15 and a yield of 1.4%.

Thiokol (15) is the sole supplier of rocket motor sets to the U.S. space agency NASA. The stock is priced on an almost liquidation basis, with a P/E of 5, at 3 times cash flow and a 15% discount to book value. Thiokol also has a strong balance sheet with long-term debt under 40% of capital structure. The stock yields 2.3%.

Piper, Jaffray (23) is a growing regional brokerage firm. Earnings for the first nine months of the current fiscal year (ending Sept. 30) were almost double 1991's, with income gains likely to continue. The stock trades at a P/E of 6, yielding 3%.

A study of the Dow on a quarterly basis over the past 75 years shows that hot weather does not an up market make.

Summer rally myth

Period[1]	1st[2]	2nd	3rd	4th
10 years (1982)	15.9%	10.9%	13.8%	17.4%
20 years (1972)	14.4	10.2	13.2	14.8
30 years (1962)	12.3	10.8	12.2	13.0
75 years (1917)	11.9	13.0	13.7	14.8

[1]Ended 1991. [2]Average difference between quarterly high and low.
Source: Dreman Value Management, L.P.

The Top 40

Who's hot and what's hot in the entertainment business

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September 28, 1992 Four Dollars

Forbes

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Forbes
SEPTEMBER 28, 1992 VOLUME 150 NUMBER 7

Here's the S&L crisis, Part II: The government is out of control again, this time spending your tax dollars to recover money lost in thrift failures.
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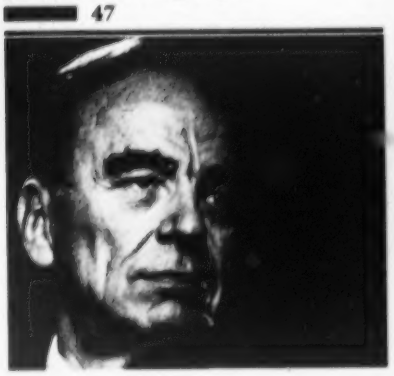

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Cover illustration by Gary Hallgren
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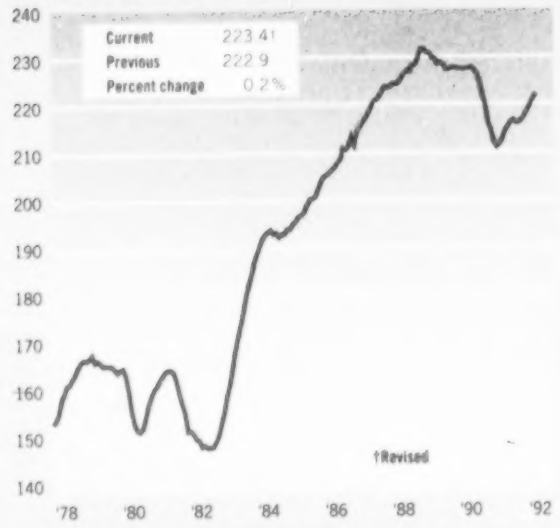
The Forbes Index (1967=100)



The recovery, if that's what we have now, continues on a very feeble path. July's 0.2% gain in the Forbes Index is the weakest showing in five months, though the index has been trending upward since last December. Real (inflation-adjusted) personal income is only 0.2% higher than it was a year ago—and below its level two years ago. The Commerce Department's index of leading indicators, which attempts to gauge the extent of economic activity six to nine months hence, is up only 1.8% from January. Manufacturers' new orders slipped 3% in July.

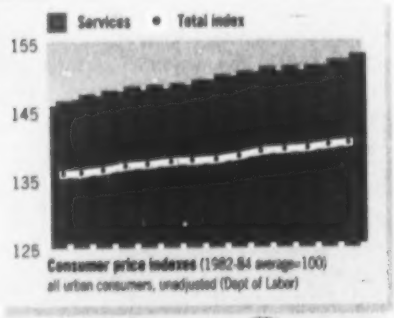
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.0%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.0%
Index of leading indicators July vs June	Dept of Commerce	0.1%
Trade balance 12 months ended June1992	Dept of Commerce	-$70bil
All-commodity producer price index July vs June[2]	Dept of Labor	0.0%
GDP 2nd quarter vs 1st—annualized growth	Dept of Commerce	1.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-1.1%

[1] U.S.-based manufacturers, excludes imports, as of 8/31/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

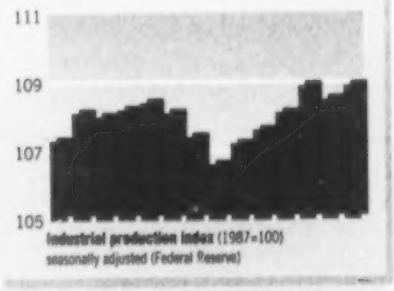
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: The cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total industrial production, new housing starts, personal income, new claims for unemployment compensation, total retail sales, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

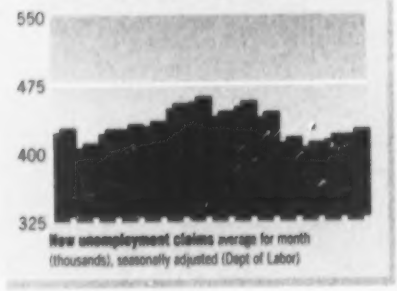
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

J J A S O N D J F M A M J J J J A S O N D J F M A M J J J J A S O N D J F M A M J J

It's been a good year for cowboys and comics, Madonna and magic. Here are FORBES' Top 40 earning entertainers for 1992.

The Top 40

By Peter Newcomb and Jean Sherman Chatzky

FOR SIX YEARS running FORBES has estimated the earning power of the world's top entertainers. In three of the six, TV star Bill Cosby has tuned in to the top spot.

This year it's Cosby across the board. He continues to collect his share of the over $1 billion in syndication revenue from the sale of *The Cosby Show*. Add to that his million-dollar executive producer fees and endorsement deals, and Cosby should pull in some $98 million over two years. Up next for the comedian: *You Bet Your Life*, his redo of the 1950s game show that featured Groucho Marx. If the show performs half as well in the ratings as *Cosby*, the cigar-chomping Coz should stay near the top of our ranking for years to come.

Second to Cosby is TV talk show hostess Oprah Winfrey. Winfrey's show is seen in over 99% of the nation's TV markets, as well as in 55 countries. Her new deal with King World should make her a near lock for the top slot next year.

The list's highest-ranked newcomer is an unassuming Oklahoman named Garth Brooks (FORBES, *Mar. 2*). With a road show that combines Led Zeppelin with Roy Rogers, Brooks has become the biggest country music star since Hank Williams. His records have sold over 20 million copies, and his concert tour has been one of the few bright spots for the nation's concert promoters this year. Brooks makes his debut at number 13, lassoing $44 million in two years.

Some old Hollywood hands finally grab new Hollywood green this year as Dustin Hoffman and Robert De Niro join our ranks. De Niro, bolstered by his hair-raising performance in *Cape Fear*, now commands upwards of $4 million a picture—and he's made several this year. As did new entry Robin Williams and tinsel tycoon Steven Spielberg, Hoffman gambled by taking small upfront fees for his work in the Peter Pan update *Hook*, divvying up some 40% of the picture's gross instead. The deal paid off when *Hook* grossed over $250 million. Video sales further added to the trove.

Out of this year's hat springs prestidigitator David Copperfield. Copperfield levitates railroad cars, makes jet airliners disappear and escapes Houdini-like from imploding buildings while shackled and chained. His tour schedule is equally death-defying, often running to over ten shows a week. He appears this year at the seventeenth spot. His two-year take: $35 million.

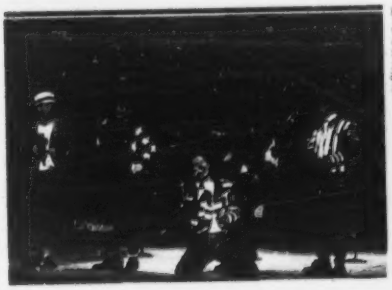
Dropping off the list this year is *Simpsons* creator Matt Groening. Also off the bottom of the chart are rehabilitated rockers Aerosmith, ex-Beatle Paul McCartney and piano man Billy Joel. And after going back to the future perhaps one too many times, actor Michael J. Fox makes his exit. White rapper Robert Van Winkle, a.k.a. Vanilla Ice, held last place among the Top 40 in 1991 but slipped off it in 1992.

Rock is slipping. Country music and magic are in.

William H. Cosby Jr.
actor, comedian, author
1992 $40,000,000
1991 $58,000,000
Total $98,000,000

Oprah Winfrey
TV host, film producer
1992 $46,000,000
1991 $42,000,000
Total $88,000,000

Kevin Costner
actor, director
1992 $21,000,000
1991 $50,000,000
Total $71,000,000



New Kids On The Block
pop music group
1992 $ 8,000,000
1991 $ 54,000,000
Total $ 62,000,000

Steven Spielberg
director, producer
1992 $ 30,000,000
1991 $ 27,000,000
Total $ 57,000,000

Michael Jackson
pop singer
1992 $ 26,000,000
1991 $ 25,000,000
Total $ 51,000,000

Guns N' Roses
rock group
1992 $ 26,000,000
1991 $ 21,000,000
Total $ 47,000,000

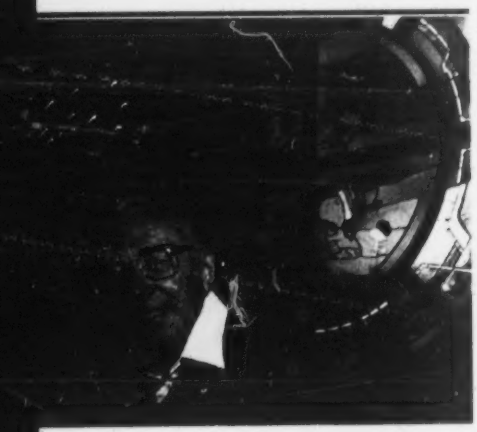
Johnny Carson
TV host, producer
1992 $ 15,000,000
1991 $ 30,000,000
Total $ 45,000,000

Prince
pop singer
1992 $ 35,000,000
1991 $ 10,000,000
Total $ 45,000,000

U2
rock group
1992 $ 27,000,000
1991 $ 9,000,000
Total $ 36,000,000

David Copperfield
illusionist
1992 $ 20,000,000
1991 $ 15,000,000
Total $ 35,000,000

Tom Cruise
actor
1992 $ 18,000,000
1991 $ 15,000,000
Total $ 33,000,000



Charles M. Schulz
cartoonist
1992 $ 24,000,000
1991 $ 25,000,000
Total $ 49,000,000

Madonna
pop singer, actress
1992 $ 24,000,000
1991 $ 24,000,000
Total $ 48,000,000

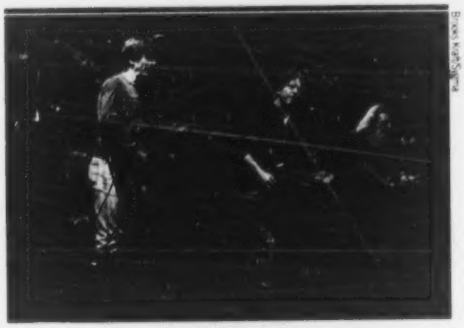
Julio Iglesias
pop singer
1992 $ 25,000,000
1991 $ 23,000,000
Total $ 48,000,000

Garth Brooks
country music singer
1992 $ 24,000,000
1991 $ 20,000,000
Total $ 44,000,000

Arnold Schwarzenegger
actor
1992 $ 28,000,000
1991 $ 15,000,000
Total $ 43,000,000

Eddie Murphy
actor, comedian
1992 $ 24,000,000
1991 $ 16,000,000
Total $ 40,000,000

Mel Gibson
actor
1992 $ 22,000,000
1991 $ 10,000,000
Total $ 32,000,000



The Grateful Dead
rock group
1992 $ 15,000,000
1991 $ 16,000,000
Total $ 31,000,000

Dustin Hoffman
actor
1992 $ 23,000,000
1991 $ 7,000,000
Total $ 30,000,000

Siegfried & Roy
illusionists
1992 $ 15,000,000
1991 $ 15,000,000
Total $ 30,000,000

Michael Douglas
actor, producer
1992 $ 14,000,000
1991 $ 16,000,000
Total $ 30,000,000

Tom Clancy
novelist
1992 $ 14,000,000
1991 $ 15,000,000
Total $ 29,000,000

ZZ Top
rock group
1992 $ 18,000,000
1991 $ 11,000,000
Total $ 29,000,000

Cameron Mackintosh
producer
1992 $ 12,000,000
1991 $ 15,000,000
Total $ 27,000,000

Sylvester Stallone
actor
1992 $ 16,000,000
1991 $ 10,000,000
Total $ 26,000,000

Andrew Lloyd Webber
composer, producer
1992 $ 14,000,000
1991 $ 12,000,000
Total $ 26,000,000

Jack Nicholson
actor
1992 $ 14,000,000
1991 $ 10,000,000
Total $ 24,000,000

John Hughes
writer, producer, director
1992 $ 4,000,000
1991 $ 20,000,000
Total $ 24,000,000

Arsenio Hall
TV host, comedian
1992 $ 12,000,000
1991 $ 12,000,000
Total $ 24,000,000

Stephen King
novelist, screenwriter
1992 $ 15,000,000
1991 $ 13,000,000
Total $ 28,000,000

Hammer
rap singer
1992 $ 16,000,000
1991 $ 12,000,000
Total $ 28,000,000

Robin Williams
actor, comedian
1992 $ 20,000,000
1991 $ 7,000,000
Total $ 27,000,000

Robert De Niro
actor
1992 $ 14,000,000
1991 $ 11,000,000
Total $ 25,000,000

The Rolling Stones
rock group
1992 $ 14,000,000
1991 $ 11,000,000
Total $ 25,000,000

Bruce Willis
actor
1992 $ 10,000,000
1991 $ 15,000,000
Total $ 25,000,000

Frank Sinatra
singer
1992 $ 9,000,000
1991 $ 14,000,000
Total $ 23,000,000

Sean Connery
actor
1992 $ 9,000,000
1991 $ 13,000,000
Total $ 22,000,000

Janet Jackson
pop singer
1992 $ 4,000,000
1991 $ 18,000,000
Total $ 22,000,000

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

By its fundamentals—stock prices in relation to earnings and dividends—the market is extremely expensive. Somebody out there is willing to buy, even though the S&P 500 is hovering at 24 times its $17 trailing earnings, and 33 times dividends. But there's also a big bearish contingent on the loose. Short interest on the New York Stock Exchange has risen for five straight months. August's total of 907 million shorted shares (which represents the sum of all uncovered short positions, regardless of transaction date) is an alltime high.

So, if you call yourself a contrarian, how do you bet? Argus Research's James Solloway bets against the short-selling crowd. How does he argue with the fundamentals? The trailing earnings for the index, says Solloway, reflect lots of writeoffs during the last half of 1991. The market's price/earnings ratio from continuing operations is more like 18.

Special focus

Managers of these firms think the stocks are buys: They have been sopping up cash by buying in shares. The companies show a decline in shares outstanding during the last five fiscal years and each of the last four quarters. Note that these stocks tend to be cyclicals; growth companies don't often have excess cash on hand.

Reduced offerings

Company	5-year reduction in shares
Ennis Bus Forms	-18%
General Re	-16
Loews	-17
Polaroid	-21
Ralston Purina	-28
Rockwell Intl	-21
Tandy	-13
Torchmark	-22

Source: Value Line

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	0.1%	7.9%	-2.9%
S&P/Barra Growth index	0.3	10.5	-2.6
S&P/Barra Value index	-0.3	10.5	-2.4
Dow Jones industrials	-0.4	9.4	-3.5
S&P 500	-0.1	7.4	-1.7
NYSE	-0.1	7.8	-1.5
Nasdaq	1.2	11.2	-10.9
Amex	-0.2	4.3	-8.1
EAFE[1]	10.7	-1.1	-22.8
CRB index[2]	1.0	-4.8	-25.6
Gold	1.0	-1.8	-32.2
Yen[3]	-2.0	-9.0	-24.4
Oil[4]	1.2	0.0	-47.3

The best and worst performing stocks[5]

Best	Price	2-week change	1992 EPS[6]	Worst	Price	2-week change	1992 EPS[6]
Diagnostek	17	62%	$0.71	Alteon	10¼	-28%	$-0.40
Sierra Semiconductor	12¼	40	1.11	Ashton	17¼	-24	-0.19
DSC Communications	8⅞	39	0.03	North American Vaccine	9⅛	-23	-0.30
Sun Electric	11⅓	36	0.39	Medco Research	12¼	-20	0.10
Amylin Pharmaceuticals	9	33	-1.09	Hibernia	4⅝	-20	-0.54

The best and worst performing industry factors[7,8]

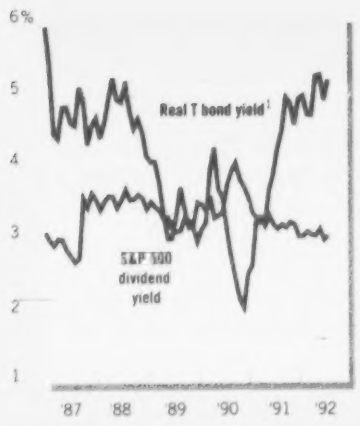
Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Forest products	8.2%	49.7%	Thrifts	-4.4%	-7.0%
Tobacco	7.3	8.8	Water transport	-4.4	4.1
Photographic, optical	4.9	-0.1	Tire & rubber	-4.3	20.0
Trucking	4.3	-0.2	Aerospace	-4.0	-14.8
Coal & uranium	3.3	-23.3	Drugs	-3.8	-13.4

Note: Data for period ending 9/3/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences, including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

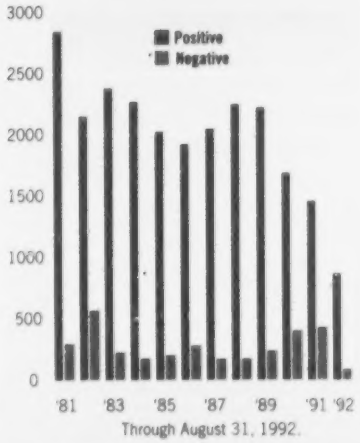
DIVIDENDS REVIEW

BY GILBERT STEEDLEY

Corporate vs. government yields



Corporate dividend revisions



Through August 31, 1992.

A welcome bright spot for the stock market: Dividend increases during the first eight months of 1992 are running nicely ahead of last year's count. So far this year 868 companies have boosted their payouts, up 22% from 1991, according to Arnold Kaufman, editor of an S&P newsletter.

People putting new money into the stock market today have to hope for some healthy dividend increases. After all, the stock market's yield of 3% is very much at the low end of its historical range and is far below what is available on a Treasury bond.

The tables below show ten utility and ten nonutility stocks whose yields—despite being substantially higher than 3%—appear to be safe. The standards for each table are slightly different: Utilities, which are usually bought for yield, must pay at least 6% and pay out no more than 95% of their earnings in dividends, while the ten companies in other industries have a minimum yield of 4% and maximum payout of 75%.

Dave Schanzer, an analyst at Janney Montgomery Scott, likes Atlantic Energy. Its average annual total return over the past ten years is about 20%, it's selling below the industry P/E, and its dividend, he says, is sustainable even if the economy doesn't pick up.

Representative industry yields

Industry	Yield	Payout ratio[2]	P/E	Industry	Yield	Payout ratio[2]	P/E
Auto & truck mfg	5.1%	NM	NM	Household products	2.4%	42%	23
Banking	4.0	39%	18	Integrated petroleum	4.8	127	14
Basic chemicals	4.3	69	18	Pharmaceuticals	2.2	36	20
Electric utilities	6.6	99	16	Retail	2.4	39	26
Electronics	1.8	32	23	Telecommunications	4.4	62	29

Sound yields, industrials

Company	Price	Indicated rate	Yield	Payout ratio[3]	EPS[3]
AAR	12¼	$0.48	4.0%	58%	$0.83
Ametek	15½	0.68	4.3	69	0.98
Barnes Group	29	1.40	4.9	56	2.49
GATX	27¼	1.30	4.4	40	3.16
Humana	20⅝	0.90	4.0	43	2.08
Kaman	9¾	0.44	4.5	47	0.94
Lockheed	47½	2.12	4.2	39	5.20
Shared Medical Sys	20	0.84	4.2	71	1.18
SPI Pharmaceuticals	20⅝	1.06	4.8	37	2.69
Tasty Baking	16¾	0.80	4.4	57	1.35

Sound yields, utilities

Company	Price	Indicated rate	Yield	EPS[3]
Allegheny Power Sys	48¼	$3.20	6.6%	$3.73
Atlantic Energy	24	1.52	6.3	1.83
Central Maine Power	23	1.56	6.8	1.95
Central Vermont Pub Svc	33⅜	2.08	6.2	2.72
Commonwealth Energy	41⅞	2.92	7.0	2.68
Green Mountain Power	32⅛	2.06	6.3	2.39
NUI	24⅛	1.58	6.4	1.68
Orange & Rockland Util	39⅛	2.48	6.3	3.02
South Jersey Industries	23¼	1.44	6.2	1.67
Western Resources	30	1.90	6.3	2.13

Note: All data, except where footnoted, as of 8/31/92. [1]Yield on 30-year Treasurys adjusted for inflation using the trailing 12 months' increase in the Consumer Price Index. [2]Capitalization-weighted. Dividends divided by net income; all extraordinary items are excluded. [3]Trailing 12 months. NM: Not meaningful. Sources: Media General, Value Line, via Lotus One Source; Standard & Poor's.

How Dell Computer outflanks the big boys

Mutual funds that try too hard

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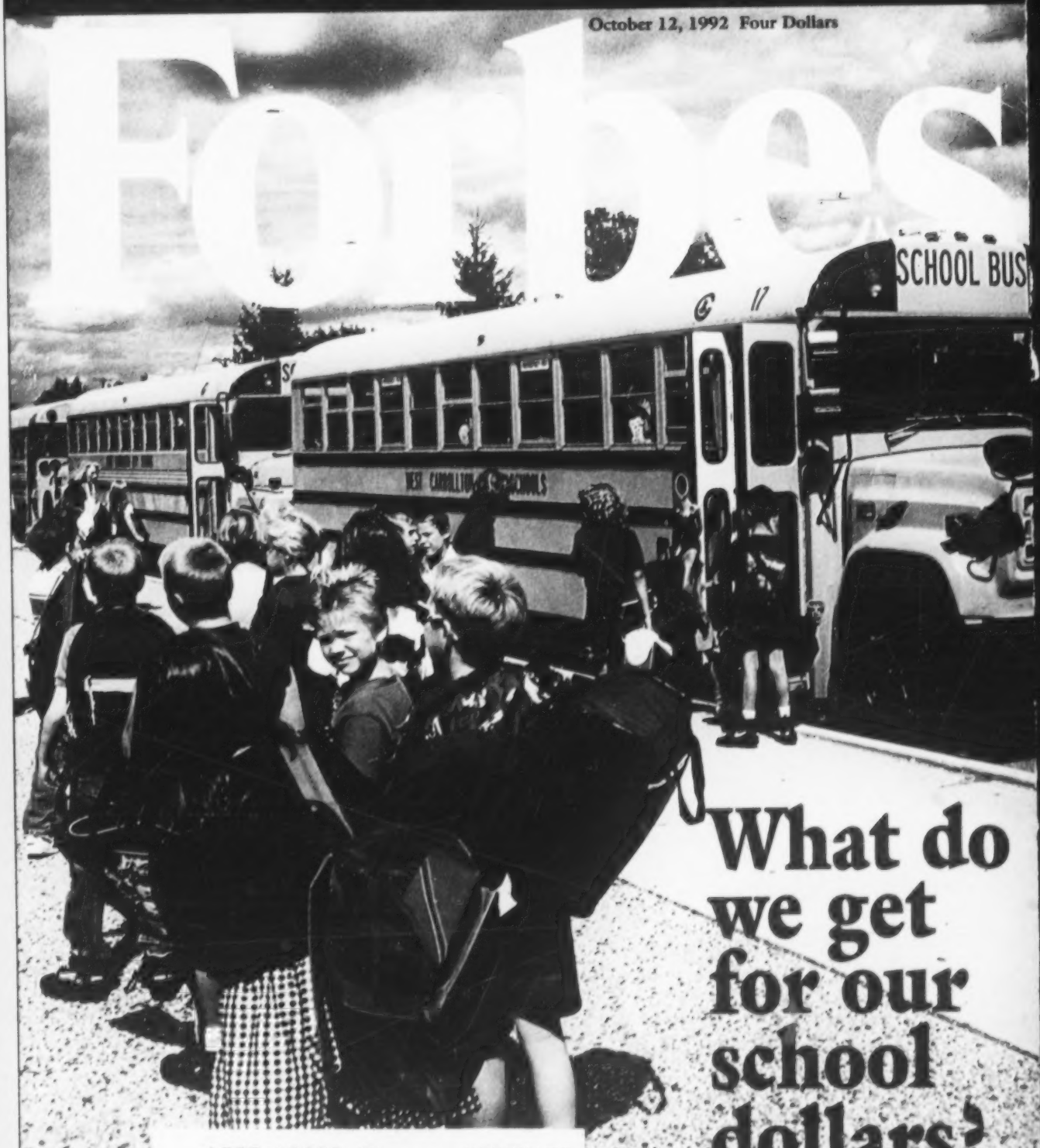
October 12, 1992 Four Dollars

Forbes



What do we get for our school dollars?

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"I don't believe we have to be the only guy in charge. It may do us good to work with other people," says Frank Shrontz.
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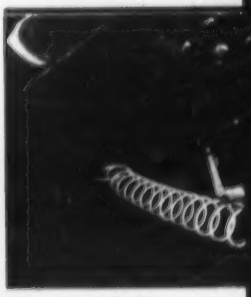

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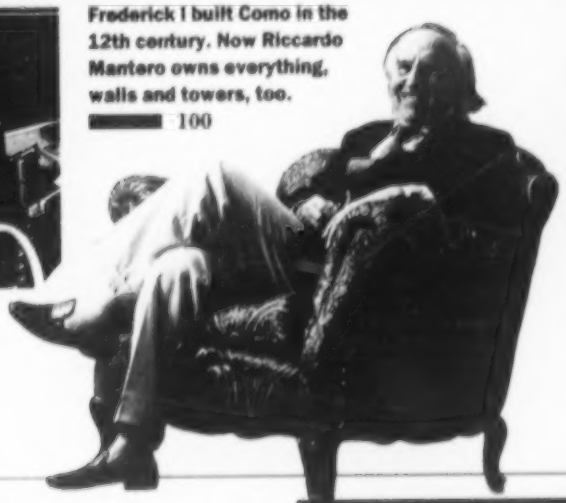

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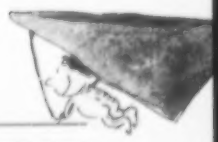

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Cover photo by David Carter

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THE FORBES INDEX

BY ROBERT ROSENSTEIN

Judged by most components of the Forbes Index, the economy appears to be dead in the water. But economist David Cohen at MMS International argues that "self-correcting mechanisms" will eventually pave the way for a healthy recovery. Low mortgage rates and productivity gains from corporate cost-cutting are already starting to stimulate higher spending on capital goods and residential construction, Cohen says. For example, unadjusted housing starts for August reached 111,000, putting this volatile indicator 17% higher than its August 1991 level.

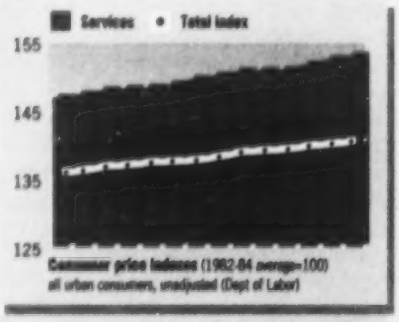
Other key ratios	Source	Status
Prime rate	Chase Manhattan Bank	6.0%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.4%
Index of leading indicators July vs June	Dept of Commerce	0.1%
Trade balance 12 months ended July1992	Dept of Commerce	-$72bil
All-commodity producer price index Aug vs July[2]	Dept of Labor	-0.2%
GDP 2nd quarter vs 1st—annualized growth	Dept of Commerce	1.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.8%

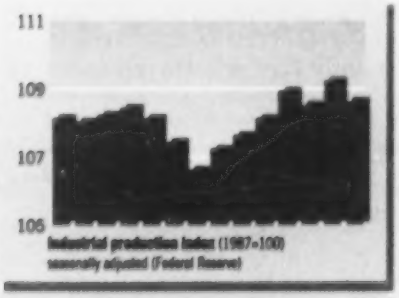
[1] U.S.-based manufacturers, excludes imports, as of 9/10/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

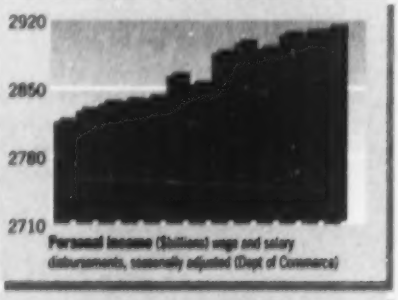
Index components

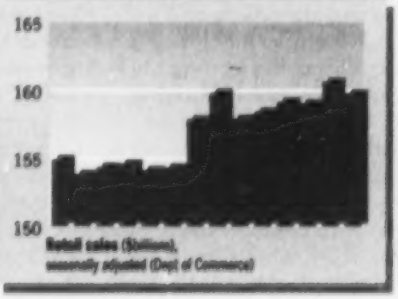
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: The cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total industrial production, new housing starts, personal income, new claims for unemployment compensation, total retail sales, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.









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THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

Is the ten-year bull market over? The Barra All-US price index is up only 0.3% since the start of the year. Dan Ascani, whose *Global Market Strategist* newsletter evaluates the U.S. and foreign markets, is expecting a short-term decline in the U.S. market. Ascani cites two technical factors—low advance/decline ratios and a lack of momentum—as part of the reason for his bearishness. Another part: fundamentals. Today's buyers of U.S. stocks are being asked to pay 27 times trailing earnings and to accept a yield of less than 3%. Ascani thinks that in the next few months the Dow could decline to the 2800-to-3100 level.

On the other hand, Ascani sees a bit of hope that if the market does fall, it will pick up again later in the year. Falling interest rates will help. And Ascani believes the recent uncertainty in European financial markets could pull foreign investors into American stocks after the November election.

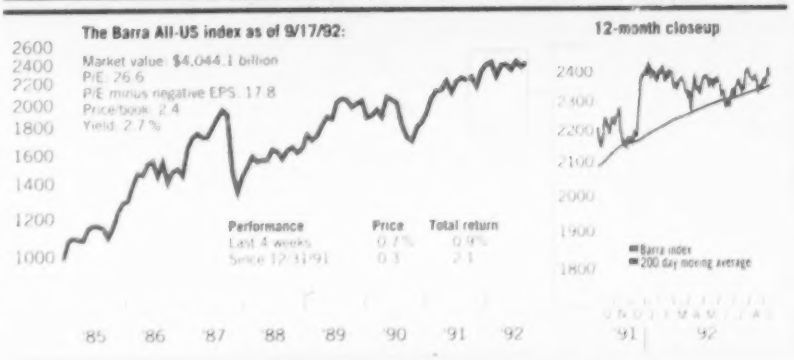
Special focus

Some stocks have posted nice gains even though their industry groups were out of favor. Example: While the coal and uranium industry has had a negative return of 39% since the start of the year, Addington Resources is up 31%. The stocks below, listed with the worst industries first, all overcame the handicaps afflicting their industries.

Going against the tide

Company/Industry	Return
Addington Res/coal, uranium	31%
Vornado/real estate	28
Ailwaste/pollution	12
Triton Energy/foreign petrol	8
Life Technologies/drugs	22
Kerr McGee/oil refining	20
Gendex/health svcs	56
Newmont Mng/precious metals	21
X-Rite/photography	66
Alcoa/aluminum	2

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	0.5%	8.4%	-2.3%
S&P/Barra Growth index	1.3	12.3	1.3
S&P/Barra Value index	0.2	10.6	-2.7
Dow Jones industrials	0.7	9.6	-2.9
S&P 500	0.5	8.4	-1.3
NYSE	0.4	8.6	-1.2
Nasdaq	2.3	12.5	-8.9
Amex	0.0	4.5	-8.1
EAFE	-5.6	7.7	-27.1
CRB index[1]	0.3	6.8	-25.8
Gold	2.1	0.1	-30.7
Yen	0.4	7.3	-24.1
Oil[1]	2.8	2.5	-45.8

The best and worst performing stocks[2]

Best	Price	2-week change	1992 EPS[3]	Worst	Price	2-week change	1992 EPS[3]
Valence Technology	15	52%	$ 0.41	Stac Electronics	3⅛	-52%	$-0.36
Constar International	32¼	43	1.52	Lunar	2¼	-39	1.04[4]
Dominion Bankshares	16⅛	38	0.65	Hartmarx	3⅛	-39	-0.51
Vestar	12½	35	0.25	Video Lottery Technologies	21½	-38	1.06
Network General	12⅜	33	0.59	Alliance Pharmaceutical	10⅛	-35	1.04

The best and worst performing industry factors[5,6]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Consumer durables	4.7%	11.6%	Coal & uranium	-6.7%	-28.0%
Industrial equipment	4.4	3.6	Drugs	-3.1	16.0
Pollution control[7]	4.0	-13.0	Thrifts	-2.8	-9.9
Electronics	3.8	11.4	Health care	-2.2	14.5
Construction	3.4	10.9	Gas utilities	1.4	8.5

Note: Data for period ending 9/17/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large capitalization stocks characterized by low price-to-book ratios, high yields and low price to earnings ratios. [3] A dollar denominated capitalization weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences, including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. [9] 1993 estimate. Principal source: Barra, Inc., Berkeley, Calif.

WORLD MARKETS REVIEW

BY GUSTAVO LOMBO

Foreign vs. U.S. markets

Developed markets

Market	Total return[2] 3 months	12 months	P/E
Switzerland	7%	26%	14
Japan	6	-9	38
Netherlands	4	24	13
Belgium	1	21	13
Canada	0	-6	60
Finland	-25	-34	NM
Norway	-21	-24	NM
Spain	-16	-8	8
Australia	-13	-7	24
Denmark	-12	-10	NM

Emerging markets[3]

	Total return[2] 3 months	12 months	P/E
Region			
Asia	-8%	-18%	NA
Latin America	-16	27	NA
Country			
Colombia	41	295	39
Philippines	25	58	20
Jordan	15	48	15
India	-30	48	35
Brazil	-29	6	6
Argentina	-27	151	20

Politics, interest rates and currency crises have made for a volatile summer on Europe's stock exchanges. The razor-thin French approval of the Maastricht treaty on Sept. 20 was an encouraging sign for those who think economic conglomeration will improve the European economies. But the battle over the treaty is far from over; expect the currency markets to remain chaotic.

The Tokyo market posted a total return (including meager dividends) of 6% for the three months through Aug. 31. But this is mainly just a correction. "A lot of damage was done to this economy by the deflation of the asset bubble," says Steven Resnick, an analyst at Cowen & Co. in Boston. Resnick predicts that even if the Japanese economy responds to government fiscal stimulus, it will take years for stocks to return to their former levels.

In spite of Argentina's poor performance over the last three months, Gerald Rothstein, director of international research at Oppenheimer & Co., remains bullish on Argentina's economy. He expects its stock market to rebound sharply over the next 12 months.

Who's hot

Company/Country	Business	Price	3-month price change	P/E
SMH/Switzerland	consumer goods	1,004¾	40%	17
Long-Term Credit Bank/Japan	banking	8½	38	39
Pegasus Gold/Canada	gold mines	17⅛	37	38
Yasuda Fire & Marine/Japan	insurance	6⅛	33	50
Air New Zealand/N Zealand	airline	1⅛	24	23

Who's not

Company/Country	Business	Price	3-month price change	P/E
Vallehermoso/Spain	real estate	9⅜	-58%	4
Skand Enskilda Bank/Sweden	banking	3¼	-54	2
Dragados y Construcciones/Spain	construction	10⅝	-48	8
Fisons/UK	pharmaceuticals	3⅜	-48	8
Fletcher Challenge/N Zealand	forest products	1¼	-36	12

Cheap foreign stocks

Company/Country	Business	Price	Earnings	P/E
Daiwa House/Japan	construction	13¾	$0.69	20
BTR/UK	multicompany	8	0.63	13
Alcatel Alsthom/France	electronics	127¼	10.68	12
VNU/Netherlands	broadcast, pub	48⅞	5.79	8
Thomson-CSF/France	aerospace	26½	4.40	6

High-yielding foreign stocks

Company/Country	Business	Price	Yield	P/E
Sime Darby/Hong Kong	trading	1¼	8.5%	12
Electrabel/Belgium	utility	157¼	8.5	10
Westfield Trust/Australia	real estate	1¾	8.1	13
Interprovincial Pipeline/Canada	oil pipeline	21¼	7.9	12
Transalta Utilities/Canada	utility	12	6.9	12

Note: Data for period ending 8/31/92. Selected stocks have a market capitalization of at least $300 million. [1]Shows price return on the EAFE index of European, Australian, New Zealand and Far Eastern stocks converted into U.S. dollars. [2]Performance numbers reflect both local price change and currency fluctuation. Dividends are reinvested after subtracting foreign withholding tax. [3]For period ending 7/31/92. NA: Not available. NM: Not meaningful. Principal source: Morgan Stanley Capital International Perspective. Emerging markets data provided by International Finance Corporation.

The returns of aggressive growth funds have been peculiarly passive.

Slow grow

By Mary Beth Grover

AGGRESSIVE GROWTH FUNDS, financial planners say, can really give a jolt to your portfolio. Take more risk, get more reward. Like a snorting bronco, an aggressive growth fund may leave you bruised and breathless now and then—but it will also carry you ahead far faster than an old nag like a growth and income fund.

That's the sales pitch. But is it true? Not necessarily.

Alas, most aggressive growth funds deliver the extra risk but seldom come through with more reward. Over the ten years ended in August, a group of 22 aggressive growth funds averaged returns of just over 11%, well behind the 14% return of 77 growth and income funds. Our authority here is the Chicago-based fund rater Morningstar, Inc., which also reports that over the same period, the aggressive funds lagged the S&P 500 by more than six points per year. Just 2 aggressive funds—AIM Constellation and Putnam Voyager A—beat the S&P.

What's going on here? How come the nags are beating the broncos? How come taking more risk doesn't produce more reward?

One simple answer: too much turnover. Stewart Zobian, portfolio manager at one of the jumpiest aggressive growth funds around, Value Line Leveraged Growth Investors, trades stocks like a man whose pants are on fire: Last year Value Line Leveraged Growth's turnover was 250%. Flinging stocks around like hot potatoes has not helped the fund's performance in the long run; in some years, the faster it runs, the behinder it gets. From 1981 through 1991 turnover ranged between 89% and 250%, yet the fund returned just 15.2% for the period, versus 17.5% for the S&P 500.

All told, the turnover rate at aggressive growth funds averages a hyperkinetic 153%—twice the rate at growth and income funds. That churns up brokerage and administrative fees. The average aggressive growth fund runs a 1.94% expense ratio, versus just 1.48% for equity funds overall.

The nags did get a bit of adrenaline from declining interest rates: Growth and income funds hold more fixed-income securities than do aggressive funds, and the period has been kind to bonds. At the same time, the boom in index funds has boosted the big-capitalization stocks, and these, too, tend to make up bigger parts of the portfolios of the growth and income funds than of the aggressive growth funds.

Is the pendulum about to swing back toward the aggressive growth funds? Some people think so. Indexing may already have done all the damage it can, and interest rates could easily turn up again. But don't be too quick to accept this scenario.

Consider this: After studying the returns on more than 9,500 stocks from 1963 to 1990, University of Chicago business school professors Eugene Fama and Kenneth French concluded that a stock's risk, measured by "beta," or its fluctuation relative to the market as a whole, is not a reliable predictor of performance. While stocks with high betas should, in theory, race ahead, Fama and French found that stocks with low betas performed roughly as well. In short, investors get little recompense for taking higher risk.

Uh oh. Aggressive growth funds average a beta of 1.23, meaning they are 23% more volatile than the overall market. That higher risk does not ensure a better return. Says French: "What investors really get paid for is holding dogs"—stocks trading roughly at or at less than their book value. Small-cap dogs, say Fama and French, outperformed the market by 6% annually over the time period.

That's ominous for aggressive growth fund holders, since the average stock in their portfolios is trading at four times book value—roughly one-third higher than the S&P 500.

So investors who want to bet on small-cap stocks should pick value-oriented funds, not their aggressive growth counterparts, over the next few years, says Kurt Brouwer of Brouwer & Janachowski, a San Francisco-based investment advisory firm. "The market at these valuations is not cheap," says Brouwer. "It would be sad to see conservative investors with good returns switch to aggressive growth funds at this point."

After all, old Aesop had it right: Bet on the tortoise, not on the hare. ■

Gung ho . . . or look out below

Fund	10-year return[1]	Turnover[2]	Price/book[3]	Beta[3]
Dreyfus Capital Growth	15.5%	81%	4.0	0.90
Financial Dynamics	12.5	174	5.8	1.27
44 Wall Street	-11.1	98	3.6	0.78
Keystone Custodian S-4	12.8	73	4.6	1.56
Putnam Voyager A	18.4	49	5.5	1.29
Security Ultra	8.9	163	3.7	1.53
Seligman Capital	17.3	42	5.9	1.30
SteinRoe Capital Opportunities	11.0	69	6.7	1.38
Value Line Leveraged Growth	12.2	250	6.2	1.18
Value Line Special Situations	5.8	37	3.1	1.11
S&P 500	17.5			

[1]Annualized through Aug. 31. [2]Latest available figures. [3]Through Aug. 31. *Source: Morningstar, Inc.*

These were the largest aggressive growth funds ten years ago. At four of them, assets have shrunk instead of growing, and only one has beaten the S&P 500.

C3950-1

Joan Irvine Smith — smart about art

$5,000 blazers, anyone?

1992 Edition Five Dollars

Mr. Gates builds his dream house

Gene Autry makes plans for the inevitable

Steve Jobs didn't cut it this year

400

The Richest People in America

Next to him, The Four Hundred are pikers

Estée Lauder: Going strong at 80-something

How much is Ross really worth?

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"I began making the geometric designs that my 82-year-old mother used when she made leggings for my children." 68

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What does great wealth in America look like? Meet a poorly educated, once broke, former truck driver named Johnnie Bryan Hunt.

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Cheyano Designs produces $5,000 blazers and other apparel items for wealthy people and provides badly needed jobs for the Northern Cheyenne Indians. But the company needs an angel.

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When it comes to Ross Perot's net worth, are the media and Perot's people stretching things a little?

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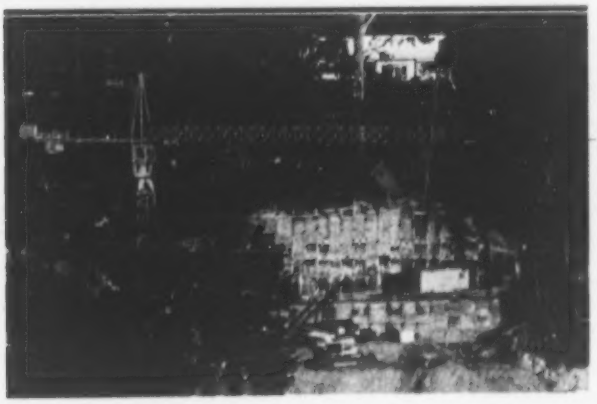
Do the rich always get richer? To judge from the smell of deflation lingering over the prices of luxury goods, a lot of people who were rich are getting poorer.



Building the 42,000-square-foot Bill Gates estate in Seattle: The main house will be built into a steep hillside, camouflaged with wood, glass and rock and hidden behind trees. An underground cavern will house a 20-car garage. 40

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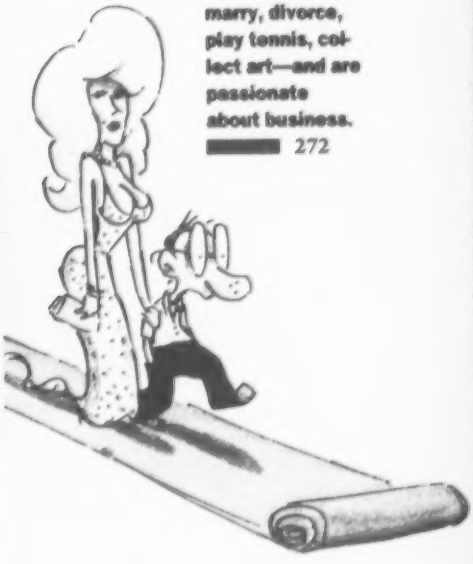

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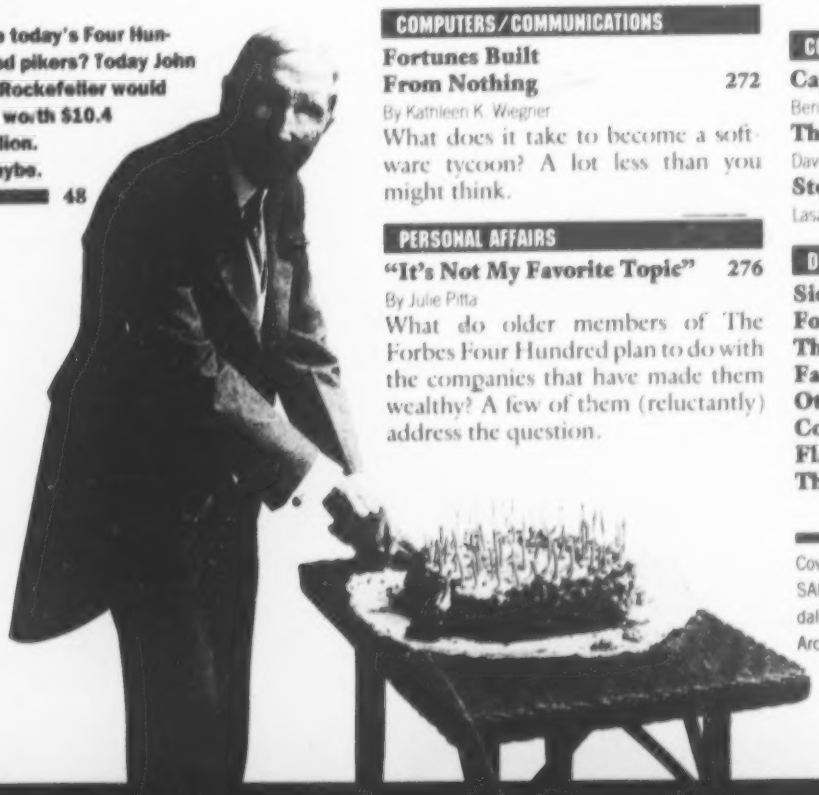

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Do the rich always get richer? To judge from the smell of deflation lingering over the prices of luxury goods, a lot of people who were rich are getting poorer.

Dom at a discount

By Nina Munk

IN THE 1980s prices of luxury goods rose rapidly as more people became able to afford them, or thought they could. But for the past two years the cost of living the high life has lagged behind the Consumer Price Index. While the CPI, which measures the prices of things that ordinary Americans buy, increased 3.2% in the last 12 months, The Forbes Four Hundred cost of living extremely well index (Clewi) had actually fallen 0.2% as we went to press *(see chart)*. This is the first time prices of luxury goods have actually fallen since 1976, Clewi's base year.

A glut of hotel suites has prices at even New York's exclusive Stanhope down 24%. Looking for a Thoroughbred horse? Prices have stumbled another 19% this past year. A kilo of beluga malossol caviar is down some 26%; a case of Dom Perignon champagne can be yours for $859, which is 9% less than a year ago.

Certain items understate the discounts available. The Learjet 35A's sticker price is up 4%. But aircraft makers, like carmakers, are deftly cutting sticker prices with cheap financing and rebates. Cessna just introduced 0% financing on its Citation business jet; Beech Aircraft now offers a $500,000 rebate on a Super King Air 350.

Luxury cars? A few years ago a BMW 525 could be leased for $700 a month; today the same car with an identical lease costs less than $500 a month. Even Mercedes-Benz is offering cut-rate leases on its cars in order to spur sales.

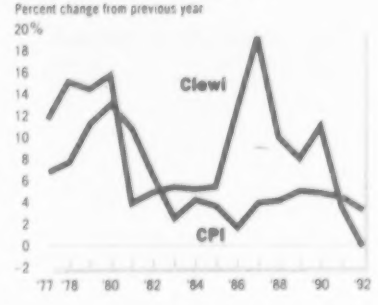
Some of the year's sharpest price declines have come in areas our index doesn't cover. Expensive real estate, for example. The Hemmeter family, part of The Forbes Four Hundred until 1989, has just knocked $9 million off the $39 million asking price of its Diamond Head, Hawaii estate *(see photo, p. 220)*.

What about the cliché that rich people will always have money to spend on luxury goods? Purveyors of haute couture dresses, expensive champagne and the rest report that there is constant demand for their products from customers at the very top of the pyramid. The problem is with customers just below the top of the pyramid.

During the 1980s a lot of people made a lot of money and felt confident enough to spend it. It's the loss of those clients that has hurt the luxury goods makers. "Rather fewer people can afford our [$1,844] shoes, I'm afraid," sighs London's grand cobbler John Lobb.

Of course, some of the goods in our index are up anyway. Harvard University still gets away with increasing prices at nearly three times the rate of the CPI. A day at the Washington Hospital Center jumped 7% last year. And the price of a Patek Philippe gold watch rose 13% last year. Asked to explain the watch's increase, Vice President Henry Edelman said it was a mystery to him, too: "Sometimes we wonder, what with negatives everywhere, how it is that people are still buying."

Into the Nineties



For the first time since 1976, the cost of living extremely well just got cheaper.

Learjet
Cheap financing.

BMW 525
Lease cost down 30%.

Forbes cost of living extremely well index

	Price 1976	Price 1992	% change 1991-92
Apparel			
Coat/natural Russian sable by Maximillian Fur Co., N.Y.	$40,000	$200,000	none
Dress/Adolfo Couture	950	1,500	none
Loafers/Gucci	89	295	none
Shirts/1 dozen cotton, bespoke, Turnbull & Asser, London	448	1,832	none
Shoes/men's black calf wing-tip, custom-made, John Lobb, London	202	1,844	+8%
Educational expenses			
School/preparatory, Groton, 1-year tuition, room, board	4,200	20,400	+8
University/Harvard, 1-year tuition, room, board, insurance	5,900	24,114	+9
Entertainment			
Catered dinner/for 40, by Ridgewells, Washington, D.C.	2,200	3,276	none
Opera/2 season tickets, Metropolitan Opera, Saturday night, box	480	2,430	+8
Food at home			
Caviar/beluga malossol, 1-kilo tin, from Caviar & Fine Foods, L.A.	283	1,100	-26
Champagne/Dom Perignon, case, Sherry-Lehmann, N.Y.	300	859	-9
Filet mignon/7 pounds, Lobel's, N.Y.	50	125	none
Food away from home			
Dinner at La Tour d'Argent/Paris, estimated per person (including wine and tip)	34	196	+12
Home furnishings			
Piano/Steinway & Sons, concert grand, Model D, ebonized	13,500	59,900	+5
Flowers in season/arrangements for 6 rooms, changed weekly, by Christatos & Koster, N.Y., per month	1,400	5,577	+10
Sheets/set of embroidered silk, by Pratesi, queen size	1,218	5,090	none
Silverware/Kirk Stieff Co., Colonial Williamsburg Shell pattern, 4-piece place setting, for 12	1,341	3,000	none
Lodging while out of town			
Hotel/2-bedroom suite, park view, The Stanhope, N.Y.	333	650	-24
Medical care			
Face-lift/American Academy of Facial Plastic & Reconstructive Surgery	4,000	8,500	+6
Hospital/VIP, Washington Hospital Center, Washington, D.C., 1 day, concierge, security, gourmet meals	325	765	+7
Psychiatrist/Upper East Side, N.Y., 45 minutes, standard fee	40	150	none
Personal services			
Lawyer/established mid-Atlantic firm, partner, estate planning, average hourly fee	$80	$300	none
Spa/The Golden Door, California, basic weekly unit	1,250	3,950	+5%
Toilet goods and personal care appliances			
Perfume/1 oz. Joy by Jean Patou	100	300	none
Sauna/by Cecil Ellis Sauna, 6x8 feet, 8-person, cedar, stained-glass window	5,000	9,800	+9
Sporting goods			
Motor yacht/Hatteras 60 (current model)	231,097	1,289,000	+7
Sailing yacht/Nautor's Swan (current model)	384,300	1,676,124	-1
Shotguns/pair of James Purdy & Sons, at Griffin & Howe, N.Y.	20,000	85,673	none
Thoroughbred/yearling, average price at Keeneland select sales	67,300	258,858	-19
Sports facilities			
Swimming pool/Olympic, standard site	180,000	491,400	-10
Tennis court/clay, standard site	25,000	45,000	-4
Toys and hobbies			
Train set/G gauge, by LGB, at FAO Schwarz, N.Y.	178	550	none
Transportation, private			
Airplane/Learjet 35A, standard equipment, certified 10 passengers	1,800,000	4,795,000	+4
Helicopter/Sikorsky S-76, full executive options (introduced 1978)	1,300,000	6,500,000	+3
Automobile/Rolls-Royce Silver Spirit (formerly Silver Shadow)	38,000	157,800	+4
Transportation, public			
Airline ticket/British Airways Concorde, round-trip N.Y.-London	1,512	8,334	none
Utilities and public services			
Telephone call/10 minutes, AT&T N.Y.-London	12	9.90	none
Other goods and services			
Cigars/Cuban, box of Davidoff No. 2, Toronto	186	722	-8
Magazine/Forbes, 1-year subscription	15	52	none
Suitcase/Loewe, black napa leather, 27 inches	739	1,276	-20
Watch/Patek Philippe classic man's gold, leather strap	2,450	9,600	+13
Purse/Hermès, "Kelly Bag," calf, 10 inches	550	3,525	+1
Sotheby's Art Market Trends Index/Basis: 1975 equals 100	111	797	-5

If you believe what you read in newspapers and see on television, the 1980s were years of greed and vulgar ostentation for wealthy Americans who grew richer during the decade while everyone else rode a treadmill. It was a rerun of the 1920s.

Lawrence B. Lindsey examines the facts and the figures and concludes that the popular view of the 1980s is just plain wrong. Lindsey brings formidable credentials to bear on the subject. He is a former professor of economics at Harvard University and was on staff at the President's Council of Economic Advisers from 1981 to 1984. He is now a governor of the Federal Reserve Board. Fed staffers Andrew Mitrusi, Arthur Kennickell and Janet Walker assisted in the preparation of this article.

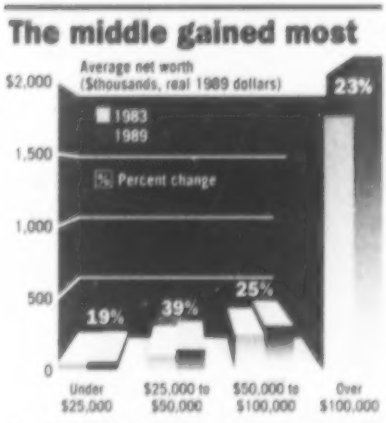
Why the 1980s were not the 1920s

By Lawrence B. Lindsey

EARLIER THIS YEAR a prominent economist received a lot of press when he pointed reporters to preliminary data from the Federal Reserve's 1989 Survey of Consumer Finances. That survey, said the professor, showed that the share of household net worth owned by the top 1% of the nation's households had risen to 36.2%, up from 31.3% in the last full survey taken in 1983. It is now widely reported as a fact that the distribution of wealth in America is less equal than at any time since the late 1920s. The Age of Gatsby is back.

But the ersatz clarity of front-page headlines in leading newspapers notwithstanding, the real story about wealth in America in the 1980s is far from clear. Comparisons to earlier eras are tricky at best. Statistically valid comparisons to the 1920s are impossible: Comparable data for that period simply do not exist, in spite of some heroic attempts by leading economists to create estimates.

Even our picture of the present is somewhat blurry. The Fed's survey is by far the best we have in terms of measuring household finances. In 1989, 3,143 households were asked 149 pages of very personal and detailed questions about their finances. This is roughly twice the number of people contacted in a typical national poll about presidential preferences.



Source: Survey of Consumer Finances, Federal Reserve System

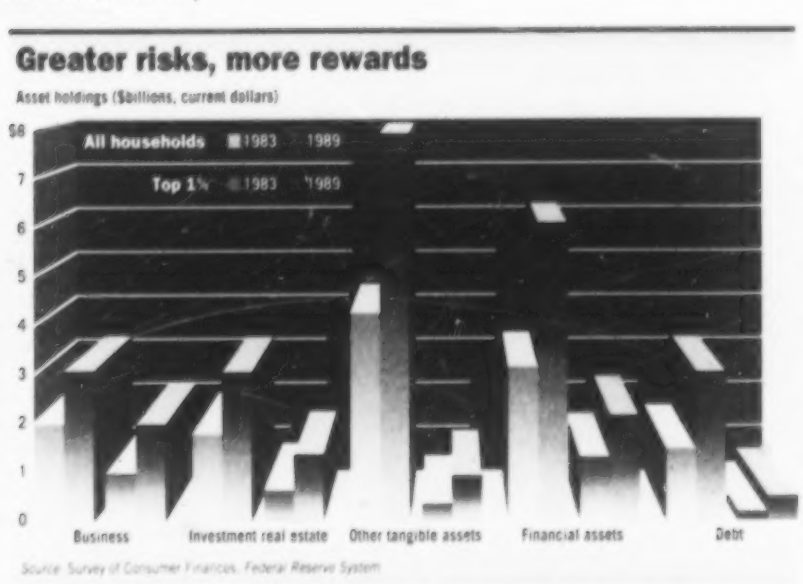
Over the six-year period from 1983 to 1989, the Federal Reserve data show that all income groups scored substantial gains, with the middle class winning the biggest increase in average net worth.

But it is still only a survey based on a limited number of respondents. Statistically, its estimate of the wealth of the top 1% of the population has a standard deviation of $600 billion. That gives new meaning to Senator Everett Dirksen's quip, "A billion here, a billion there, and pretty soon you're talking about real money."

In terms of modern opinion poll data, this estimate has a "margin of error" of $1.2 trillion, roughly one-fifth of the estimate of the wealth of that group. This remarkable degree of statistical variance is the result of the survey's original intent, which was not to measure wealth distribution in America but to understand consumer interactions with the financial services industry, both as asset holders and as borrowers. Its use as a barometer of America's wealth distribution is somewhat new and still evolving.

But statistical uncertainty as a result of sample size is only one problem with using the Fed survey to map wealth distribution patterns. In addition, two major components of household wealth were missing from the preliminary data reported earlier. (The Fed is working to include this information in the future.)

The first of these missing household assets is the value of workers' claims on pension plans. This is serious money. The estimated value of these assets, $3.7 trillion, plus an additional $400 billion in estimated military pension liabilities, is twice the survey's estimate of the value of the stocks and bonds held by all of the nation's households. If these holdings



These Federal Reserve figures show that during the 1980s the top 1% of households took greater financial risks—and reaped the benefits.

had been included in the survey, household wealth would have increased 24%. Most of this gain belongs to the middle class.

The second missing asset is what economists call "Social Security Wealth," the legal claims that most of us have on the Social Security System. The discounted present value of these claims owned by active or retired workers is $5.6 trillion—an amount equal to one-third of all of the wealth reported in the Fed survey. Just like retirement saving in the form of stocks, bonds and bank accounts, Social Security claims represent wealth to finance future consumption.

In sum, the uncounted pensions and Social Security assets of American households amounted to nearly $10 trillion—more than half of all of the wealth counted in the Fed's survey. This wealth belongs overwhelmingly to the great American middle class.

Incorporation of these assets into household wealth would cut the share of total wealth held by the top 1% by roughly one-third, from 36.2% to perhaps 25%. Qualitatively, this $10 trillion in retirement assets makes a comparison of the distribution of well-being in the 1980s to that of the 1920s an absurdity.

The Fed's survey also does not include the value of our social safety net to individuals. In 1989 government nonretirement transfer payments—social safety net payments for things like welfare payments, food stamps and Medicaid—amounted to $250 billion, a figure 22% bigger than the aftertax profits of all American corporations combined for that year.

Even if we ignore these vast retirement assets and the value of the social safety net, the conventional wisdom about only the rich getting richer is simply false. Data from the Fed's survey show that individuals in *all* income groups saw their wealth increase between 1983 and 1989.

The chart on page 78 shows the wealth of people in various income brackets in 1983 and 1989. The chart adjusts the income brackets and the wealth levels for inflation to make the interyear comparison as valid as possible. The data show substantial gains for all income groups, with households earning $25,000 to $50,000 seeming to make the biggest gains on a percentage basis.

Most economists have stressed the importance of the life cycle as a motive for saving. Individuals save during high earning years in order to consume during retirement.

The Federal Reserve data show that this was the case in the 1980s, with widespread gains across all age cohorts. But there does seem to be a remarkable difference between the wealth gains for those under age 50 and those over 50. This relationship reinforces the contrast with the 1920s. Today the typical male retires at age 63 and can expect 16 years of retirement. In the 1920s, with no Social Security and few private pension schemes, most men died "in harness," and the prospect of 16 years of retirement was something to be feared from a financial point of view. The very low accumulation rates of people over 50 today may well reflect the impact of the private and public pension schemes that were excluded from the survey. It might also be that the strikingly higher accumulation by those under 50 may reflect a simple lack of confidence that those schemes will exist when they retire.

Still, the fortunes accumulated by those at the very top of the income distribution probably cannot be explained simply by motives such as saving for retirement. To finance a very comfortable and inflation-protected $100,000 annual income from age 55 to age 85, assuming a 4% real return, one would need about $1.7 million if one were to retire today. But the average holding of the top 1% of the wealth distribution, regardless of age, is four times that figure. A likely reason that some people accumulate more than they need has to do with the dynamics of economic change and business formation.

Take a look at the people at the top of The Forbes Four Hundred. Sam Walton, founder of Wal-Mart and the patriarch of the country's richest family before he died earlier this year, was the merchandising entrepreneur who fundamentally changed the way businesses look at inventory control. Today's richest man is Bill Gates, the 36-year-old entrepreneur behind Microsoft, whose product allows most of our desktop computers to operate on a single compatible system. Most of The Forbes Four Hundred are people like Walton and Gates: self-made entrepreneurs who are remaking a bit of the American economy under their own personal vision, not some corporate or collective view of the future. Economists like Joseph Schumpeter applauded entrepreneurs and the "creative destruction" they wreak; Schumpeter understood that the fulfillment of entrepreneurial vision lies

at the heart of economic growth, and is reflected in rising living standards and job creation.

On the other hand, economists like John Kenneth Galbraith despair of the aggregation of power in the hands of a single individual. The concentration of power always carries a risk. However, there is only one alternative to letting capitalism's entrepreneurs accumulate the economic clout needed to fulfill their personal vision. It is reliance on a bureaucratic vision of economic change in the form of state planning, an option that has been tried elsewhere during the century, and found to be badly wanting.

While the 1980s were unlike the 1920s in most respects, one aspect they seem to share is their entrepreneurial vigor. The Fed survey shows that 70% of those in the top 1% who were working reported that they were self-employed. Only 15% of the entire population was in this category. These self-employed workers typically reported working at least 50 hours per week, compared with 40 hours for everyone else. Despite what you might read in your newspaper, the top 1% of Americans do not constitute an idle wealthy class.

The entrepreneurial nature of the richest 1% is also evident from their balance sheets. The chart on page 80 shows the composition of net worth for the top 1% and for all households in both 1983 and 1989. In 1983 closely held and personally managed non-real-estate businesses composed 32% of the net wealth of the top 1%. This figure rose to 33% in 1989. Moreover, the top percentile held 49% of these business assets in 1983 and 64% in 1989.

A similar story can be told about investment real estate. This rose from 20% of the portfolio of the top 1% in 1983 to 23% in 1989. The share of the nation's investment real estate controlled by this top 1% rose from 35% in 1983 to 44% in 1989. By contrast, the ownership of financial assets, including widely traded corporate stocks, became more evenly distributed in the 1980s. The share of these passive investment assets held by the top 1% fell from 42% in 1983 to 36% in 1989. As a share of the portfolios of the top 1%, the decline was equally dramatic, from 41% in 1983 to 35% in 1989.

Thus, the wealth gains enjoyed by the top 1% were accompanied by taking on a greater share of the nation's economic risks—and probably a greater share of active economic management as well.

Also implicit in the Fed survey's numbers is the fact that, far from consuming their gains, the wealthy reinvested the overwhelming share of their income in these growing enterprises. Given the incomes reported in the Fed survey, we estimate that 80% of the income of the top 1% was saved, not consumed. This does not comport well with notions that the 1980s were a period of excessive greed and conspicuous spending a la Jay Gatsby.

The ersatz clarity of front-page headlines in leading newspapers notwithstanding, the real story about wealth in America in the 1980s is far from clear.

Another popular image about wealth in America is that it accumulates in the hands of a small and more or less constant group of privileged individuals and families—that the same people who made up the top 1% in 1973, say, also made it up in 1983 and again in 1989. Nothing could be further from the truth. According to data on inheritances collected in the Fed's survey, less than half of the top 1% of America's wealth-holders received any inheritance at all during their lifetimes. Furthermore, the sum of all inheritances that individuals in the top 1% did receive over their lifetimes amounted to just 9.8% of their collective wealth, even after adjusting for the inflation from the time they were received.

Membership in the rich people's club turns out not to be very exclusive. In 1983 you could be a member of the top 1% with a net worth of $1.3 million in the dollars of that year. In 1989 it took a net worth of $2.3 million to make the grade. This higher threshold helps to hide the explosion in the number of millionaires in America. We now live in an age where one household in 18—over 5%—headed by people in their 50s and 60s is worth at least a million dollars.

A study of 1983 data done by the staff at the Federal Reserve confirmed what every business person knows: that successes in business are very often followed by economic reverses.

The same study examined a small group of individuals in both 1983 and 1986. It found that 28% of the group in the top 10% of the wealth distribution had dropped out of that group three years later. This implies an attrition rate of about 50% over six years. Simply put, half of the top 1% are replaced every six years by nouveaux riches entrepreneurs on the way up.

A similar result can be found by examining The Forbes Four Hundred. Of the 504 names listed in the 1989 survey, some 50% did not appear in the 1983 survey. Again, we lack the ability to compare this amount of mobility with that which existed in the 1920s. But in the 1980s it could not have been only the rich who got richer. Someone further down the wealth distribution had to have earned and accumulated enough to take their place.

Comparing the 1980s with the 1920s makes for some attention-grabbing headlines. But history is rarely captured by a headline or a sound bite. It will be years before we begin to agree on what the 1980s were all about. But even today we can say something about what they were not about.

American society did not return to the 1920s and the Age of Gatsby. We did not unweave our social safety net, nor did we come to expect American workers to toil until they died. There is simply no comparison between the distribution of economic well-being in the 1980s and that of the 1920s.

Nor did the 1980s amount to a decade during which a small segment of American society waxed steadily richer at the expense of people lower on the totem pole. Some rich people got richer, others got poorer, and the same occurred in every other income group. Our data show conclusively that, on average, Americans were better off in 1989 than in 1983, regardless of their circumstances at the beginning of the period. The reality is that America in the 1980s continued to be the land of opportunity, security and economic mobility.

The Richest People in America

Edited by Harold Seneker with Dolores Lataniotis
Reported by Jody Brennan, Randall Lane, Willy Stern
with assistance from Adam Levine and Janice Lochansky

If you think wealthy people don't deserve their riches, you'll be glad to know that 122 members of The Forbes Four Hundred got poorer last year and 43 fell off the list. But if you think rich people get that way by producing goods and services that enrich society as a whole, you'll be pleased to read that as a group the Four Hundred keep getting richer.

GOING BY THE overall statistics, very rich Americans got richer this year. The total estimated net worths of The Forbes Four Hundred rose 4.3%, a bit better than inflation, to $300.7 billion. The average fortune grew by $31 million. There are a record 73 identifiable billionaires this year, up from 67.

But overall statistics often obscure as much as they reveal. Look more closely at the Four Hundred, and you'll find many who are struggling. One indication: The minimum net worth required to be counted one of the 400 richest in the country fell to $265 million this year from $275 million in 1991.

Another sign: 122 members of 1992's Four Hundred were worth less money than they were the year before. Some famous names are involved—John Kluge, Carl Icahn, Curt Carlson, Al Taubman. Together, the aggregate net worth of these 122 drop-down individuals came in at $76 billion, down 16% ($15 billion) from its year-ago level.

Forty-three people on last year's list fell off our tally this year. Among them was computer entrepreneur Steven Jobs. Last year we figured Jobs' stock in his Next Computer, Inc. might be worth around $350 million. But Next's sales, currently around $127 million, have been disappointing. On the basis of market valuations of comparable computer companies, we figure Jobs' Next stake is worth well under $100 million. (For others who dropped off the Four Hundred last year, see p. 250.)

If so many rich folks are getting poorer, how is it that the Four Hundred as a group are getting richer? No mystery there. The individuals whose goods and services were in strong demand did so well that they raised the averages for everyone.

Bill Gates, the country's richest individual, and his fellow multibillionaire Paul Allen did spectacularly well, as their Microsoft shares went up from 59 to 78 (split-adjusted) in the past year. Do Microsoft's rich-and-getting-richer entrepreneurs deserve this wealth? Or, in the name of fairness, should they be penalized with heavy income and capital gains taxes? The latter, if you believe the economy should get out of computers and return to a simpler, electromechanical age.

The late Sam Walton's heirs move up from $4.4 billion each to $5.1 billion (we're counting in his widow Helen, who replaces Sam) on Wal-Mart Stores' continued growth. Unfair? Tell that to the masses to whom Wal-Mart has brought quality merchandise at discount prices.

As usual, there were a number of spectacular new arrivals to the list. San Antonio's James Leininger joined the list with $285 million worth of Kinetic Concepts stock. Leininger built his fortune by installing specialized hospital beds that save lives in intensive and prolonged postoperative care. Ray Noorda took over a struggling little computer company in 1983 and turned it into a networking-software power that further facilitates the computer revolution. Noorda's Novell shares are now worth over $800 million.

In short, the economy continues to excel at penalizing people who take wrong turns in business and rewarding those who make the right decisions and bring desirable goods and services to the market. Are the rich getting richer? One sincerely hopes so.

The class of '92

Name/City	Net worth ($million)	Page
New:		
Abraham, S. Daniel/W. Palm Beach, Fla.	600	152
Abramson, Leonard/Blue Bell, Pa.	550	156
Ackerman, Peter/London, England	300	196
Bass, Anne Hendricks/NYC; Fort Worth	270	208
Blank, Arthur/Atlanta	500	148
Blech, David/NYC	295	206
Bloomberg, Michael Rubens/NYC	350	189
Catsimatidis, John Andreas/NYC	350	189
Clayton, James Lee/Knoxville, Tenn.	265	208
Cosby, William Henry Jr./Amherst, Mass.	300	200
Coulter, Joseph/Miami Springs, Fla.	495	162
Davis, Artemus Darius/Walden, Colo.	300	156
Duke, Jennifer Johnson/Jacksonville, Fla.	300	202
Frist, Thomas F. Jr./Nashville	470	168
Goizueta, Roberto Crispulo/Atlanta	315	193
Haas, Walter A. Jr./San Francisco	310	160
Hyde, Joseph Reeves III/Memphis	285	207
Johnson Charles/Hillsborough, Calif.	550	155
Johnson, James Loring/Hunterdon Cty., N.J.	300	202
Johnson, Rupert Jr./Hillsborough, Calif.	400	155
Kaiser, George B./Tulsa	265	208
Kimmel, Sidney /Philadelphia	480	166
Kovner, Bruce/NYC	300	205
Leininger, James Richard/San Antonio, Tex.	285	206
Marcus, Bernard/Atlanta	675	148
Milken, Lowell Jay/Los Angeles	275	189
Noorda, Raymond J./Provo, Utah	800	137
Pamplin, Robert Boisseau Jr./Portland, Ore.	300	196
Simmons, Richard Paul/Sewickley, Pa.	315	193
Solheim, Karsten/Phoenix	450	170
Walton, Helen/Bentonville, Ark.	5100	93
Returnee:		
Cantor, Bernard Gerald/Beverly Hills	300	196
Dixon, Suzanne Searle/Lake Forest, Ill.	300	201
Fuqua, John Brooks/Atlanta	275	208
Levine, Leon/Charlotte, N.C.	380	182
Lund, Sharon Disney/Los Angeles	320	193
Mellon, Richard Prosser/Ligonier, Pa.	300	198
Mellon, Seward Prosser/Ligonier, Pa.	300	198
Milbury, Cassandra Mellon/Ligonier, Pa.	300	198
Naify, Marshall/San Francisco	345	166
Perdue, Franklin Parsons/Salisbury, Md.	300	201
Searle, Daniel Crow/Winnetka, Ill.	300	201
Searle, William Louis/Lake Forest, Ill.	300	201

This year 31 individuals join The Forbes Four Hundred for the first time; 12 others return to our list of richest Americans.

Billionaires

William Henry Gates III
The richest man in America.

William Henry Gates III
Microsoft Corp. Seattle. 36. Single. Father prominent Seattle lawyer; mother a regent of U. of Washington. Created computer program age 13. Perfect 800 on math SAT. Dropped out of Harvard to cofound Microsoft Corp. with longtime friend Paul G. Allen 1975; now world's largest microcomputer software company. Developed operating systems for IBM's first PC 1980; gets royalty on each machine using MS DOS. Recently bought into ICOS Corp., biopharmaceutical company specializing in chronic inflammatory diseases (arthritis, asthma, etc.). Notoriously fast driver; owns Porsche 959, Ferrari, but drives Lexus to work. "The focus of my life is my work, certainly in my 30s and probably in my 40s." Favorite books include *The Catcher in the Rye, A Separate Peace*. Giving Stanford $6 million computer science building. Described as friendly, extremely informal; hard-driving boss. Self-description: "hard-core technoid." Net worth $6.3 billion.

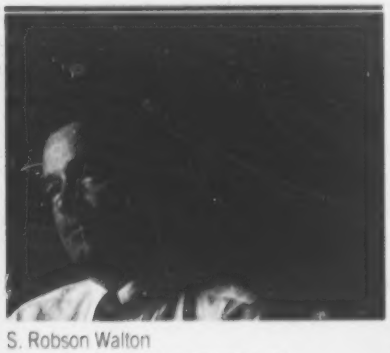
John Werner Kluge
Metromedia. Charlottesville, Va.; NYC. 78. Thrice divorced, 3 children. German-born (*klug* is German for "clever"), poor, family settled in Detroit 1922. Scholarship to Columbia, earned economics degree (1937) and $7,000 gambling. After WWII (Army intelligence) bought Maryland radio station, formed Metromedia: built string of radio, TV stations; added billboards, Harlem Globetrotters, Ice Capades. Much later, cellular phones. "Don't go into something just for the sake of it. Go into something because you really like it." Realized $4.65 billion pretax liquidating Metromedia assets 1984 (2.5 times what other shareholders got). With cash, started or bought numerous businesses, including 70% ailing Orion Pictures; Ponderosa Steak chain; also owns Bonanza, Steak & Ale. Sold NYC cellular business 1990 for $1.05 billion cash, $850 million LIN Broadcasting stock. Metromedia Communications now fourth-largest long distance U.S. telephone carrier. Gave longtime associate Stuart Subotnick 5% of Metromedia Co.: "Assets are cold. What brings them to life are the people who operate those assets." Convert to Catholicism before third marriage, to model-actress Patricia Rose Gay, 1981 (divorced 1990). Has 10,000-acre estate Virginia.; 80,000 acres and castle in Scotland (for sale); signifi-

John Kluge
"You could say we've been fortunate."

cant art collection, new yacht. "I have looked forward to Monday morning all my life." Net worth estimated $5.5 billion. "I haven't added it up myself recently."

Helen Walton ★
S. Robson Walton
John T. Walton
Jim C. Walton
Alice L. Walton

Widow and children of Sam Walton (d. April). Wal-Mart Stores. Sam opened Ben Franklin five-and-dime 1945, lost lease; started again Bentonville with brother James *(which see)*. By 1962, 15 stores, took public 1970. Had concept: discount stores



S. Robson Walton
Can he fill "Mr. Sam's" shoes?

in small towns, rural areas, each big enough to freeze out competitors. Today over 1,700 stores in 43 states and Mexico; now largest retailer in U.S. (1991 sales, $43.9 billion). Sam, perhaps most admired businessman of his era, down-to-earth; drove clunkers, hunted quail. Sam divested privately owned stock into family trust 1990; lost 2-year battle with bone cancer this year; will remains sealed but assets passed to Helen tax-free. Family holding company believed to be shared equally among Helen, children. Helen: Bentonville. 73. Valedictorian Claremore (Okla.) H.S., U. of Okla. Married Sam 1943; homespun, private. "We never missed a year canoeing the Buffalo River." Avid traveler, large donor to Presbyterian Church. S. Robson: Bentonville. 48. Yale Law. Divorced, remarried; 3 children, 2 stepchildren. Partner, Oklahoma law firm, Wal-Mart chairman. Skier, pilot. John T.: San Diego. 47. Married, 1 child. Vietnam veteran. Involved in family holding company Walton Enterprises. Owns firm that builds ocean-racing sailboats. Jim C.: Bentonville, 44. Married, 4 children. Oversees family banking, newspaper businesses, real estate. Alice: Rogers, Ark. 43. Divorced twice. Started Llama Co. (investment firm named after a pet) 1989 with $19.5 million from Walton Enterprises. Says famous surname merely opened the door. Pushing to get full-size airport in Benton County. Family's 38%-plus Wal-Mart stock, other assets estimated at least $25.3 billion.

Warren Edward Buffett

Stock market. Omaha. 62. Married, 3 children. M.S. Columbia. Picked up first stock at age 11; at 13 published racetrack tip sheet. Learned hunting for securities undervalued by market from late Benjamin Graham in grad school. Launched Buffett Partnership age 25 with $100,000; after thirty-fold increase, dissolved partnership 1969 at speculative market peak. Picked up textile firm Berkshire Hathaway 1965. Berkshire no longer in textiles, but in the money: portfolio worth over $9 billion. Significant holdings: Washington Post, Coca-Cola, Capital Cities/ABC, etc. Says he hates Wall Street, prefers Omaha, away from the rumors; but spent 10 months in Big Apple trying to salvage Salomon investment after price-fixing scandal. Resigned interim Salomon chairmanship June, installed associate. Ostensibly private, but made soap opera cameo appearance urging character Erica Kane to go public. Investment strategy: assess long-term economics, quality of management, buy only a few of the best at sensible price. Motto: "If at first you do succeed, quit trying [i.e., hold]." Retirement plans? "About 5 to 10 years after I die." His 42% of Berkshire worth $4.4 billion.

Samuel I. Newhouse Jr.
Donald Edward Newhouse

Brothers. Publishing, cable TV. Father Samuel born to Eastern European immigrants. Ran Bayonne (N.J.)

Berkshire Hathaway's Warren Buffett
"Investment must be rational; if you don't understand it, don't do it."

Donald and S.I. Newhouse
"They are tough, tough cookies."

Times age 16, took over ailing Staten Island Advance 1922. Fanatic cost-cutter, worked out of briefcase; built nation's largest private newspaper chain: "The only thing to do with money in the newspaper business is leave it in the newspaper business." His two sons tagged along on rounds. Purchased magazine publisher Condé Nast 1959 (motto then: "Class, not mass") for $5 million as anniversary present to wife: "She asked for a fashion magazine, and I went out and got her Vogue." Attracted legend-making talent. Samuel's death 1979 brought estate tax cases (2 settled favorably, 1 to go). Sons expanding empire: 29 newspapers (total circ. over 3 million); 14 magazines; books; cable TV (1.3 million subscribers); etc. S.I.: NYC. 64. Divorced, remarried; 3 children. Supervises magazines (New Yorker, Vogue, Gourmet, Vanity Fair, Parade, etc.), Random House. Introverted, dedicated art collector; workday starts 4:45 a.m., answers own phone. Policy on sacred cows: picked Vanity Fair's Tina Brown as editor of New Yorker (yes, the New Yorker). Son Samuel III Jersey Journal publisher. Donald: 63. Married, 3 children. Advance Publications president; runs newspapers, cable TV. Son Steven Jersey Journal editor. Intensely private: "These people are fanatics. They would kill someone who walked with their numbers." Si, Donald share empire conservatively estimated $7 billion. Without their numbers.

Sumner Murray Redstone

Movie theaters. Viacom. Newton Centre, Mass. 69. Married, 2 children. Father, part-time restaurant owner/nightclub operator, opened drive-in theater late 1930s; made good living. Sumner attended highly competitive Boston Latin School; graduated with highest academic record 1940. In top 12 of class Harvard Law 1947; practiced law; entered father's theater business 1954. "I thought if I had to be in business, I'd rather be in business for myself." Built National Amusements Inc., now over 750 screens U.S., U.K.; coined term "multiplex." Survived 1979 Boston hotel fire with scarred right hand by clinging to outside ledge. Successful player 1980s: profitable investment roles in Twentieth Century Fox, Columbia Pictures takeover, MGM/UA home video buyback. Acquired Viacom in highly leveraged transaction, $3.2 billion, 1987; took public next day; operating profits increased 40%, to $312 million 1991. Fought John Kluge for Orion Pictures, fortuitously lost: Viacom came away with $16.8 million profit. "Great successes are built on failures and calamities and frustrations, not on small successes." Net worth recently $3.25 billion.

Sumner Murray Redstone
Happy loser in fight for Orion.

Ronald Owen Perelman

LBOs. NYC. 49. Divorced, remarried; 5 children. Exposed to business at father's metal fabricating outfit in Philadelphia; then Wharton business school. In 1978 borrowed $1.9 million to buy minority interest in jewelry distributor; built into MacAndrews & Forbes conglomerate, using debt from Drexel Burnham. Constructed money machine: buy undervalued assets, divest all but cash cows, use money to bag bigger game. Nailed Revlon for $3 billion 1985, failed $4.1 billion bid for Gillette. Acquired Marvel Entertainment, outdoor-equipment leader Coleman Co., National Health Laboratories, First Gibraltar S&Ls, etc. Staggered under weight of debt, but pulled off coup: timed 1991-92 IPO market right, public bought into Marvel, Coleman, National Health; debt under control. Ron's stakes smaller but lucrative.

Ronald Perelman
Revlon needed more makeup.

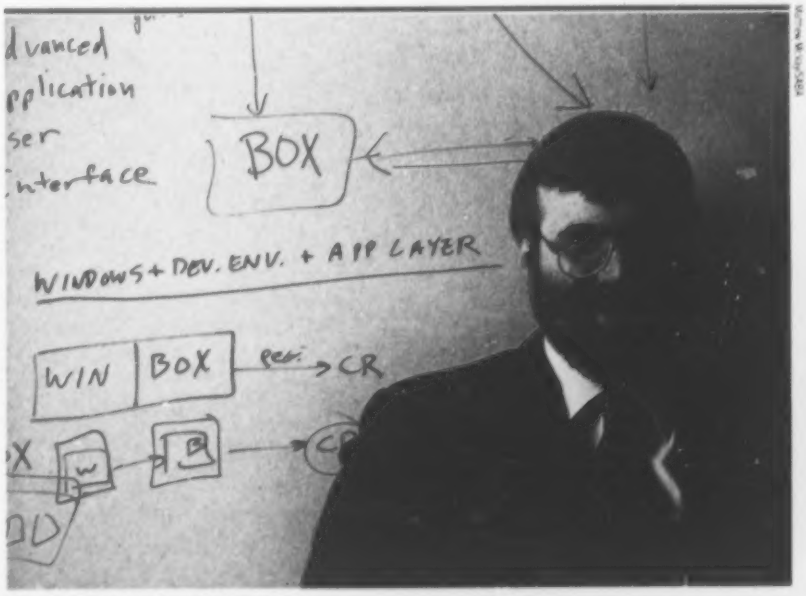
Offered "New Revlon" float this year, but withdrew after public balked at asking price. Stock holdings, Revlon, S&I.s estimated $2.9 billion.

Ted Arison
Carnival Cruise Lines. Tel Aviv, Israel. 68. Divorced, remarried; 2 children from first marriage, 1 adopted in second marriage. Born Tel Aviv to shipowner father. Left American University of Beirut 1942 to join British army; sergeant major. Postwar, discouraged by shipping business prospects, sold out after father died. To U.S. 1952, dabbled in air cargo, etc. Took over troubled cruise ship company 1966. Survived. In 1972 started Carnival Cruise lines with one used transatlantic liner that guzzled too much fuel. Slower speeds meant more time at sea, so added disco, casino, nightclubs, movie theater, made ship the destination. The "Fun Ship" grew to 9-ship fleet of "Love Boats" cruising to nowhere, revenues $1.4 billion. Retired to Israel 1990; son Micky in charge. Also majority owner Miami (basketball) Heat, real estate firm, etc. Recently donated $14 million to New World Symphony. Also supports Mount Sinai Medical Center, U. of Miami, Albert Einstein College of Medicine. His shares, etc., recently worth $2.85 billion.

Paul Gardner Allen
Microsoft. Mercer Island, Wash. 39. Single. Left Washington in 1975 to start Microsoft with boyhood friend Bill Gates. Ran R&D developing MS DOS and Basic. Left 1983 diagnosed with Hodgkin's disease; in remission. Still on board, a major shareholder. Founded Asymetrix Corp., software company, 1985. Original product: Toolbook, do-it-yourself programming kit for IBM compatibles. Shoots hoops in backyard for relaxation. In 1988 purchased Portland (basketball) Trail Blazers. "Basketball is one of my real passions." Also on board of retailer Egghead Discount Software. Recently cofounded Interval Research Corp.: computer R&D in information systems, communications. Enjoys sailing, chess and playing his electric guitar. His stock recently worth $2.8 billion.

Keith Rupert Murdoch
Contemptuous of most U.S. newspapers.

Keith Rupert Murdoch
The News Corp. Ltd. Australia, London, NYC, LA. 61. Divorced, remarried; 4 children. Father Sir Keith celebrated editor Melbourne Herald. Son: Oxford 1952. Trained on London's Fleet Street. Took over Adelaide News age 23. Famous for sensational headlines: "Queen Eats a Rat." Bought Sydney Daily Mirror 1960. Diversified into TV, magazines, book publishing. Bought U.K. publications; to U.S. 1974. Purchased N.Y. Post; since sold: "It was a heartbreaker. Mission Impossible. Afterwards I was lost and kind of depressed." Also New York magazine, Elle, Boston Herald et al. Bought Metromedia TV



Microsoft Corp. cofounder Paul Allen
Trying to re-create his first success with Asymetrix, Interval Research.

stations, Twentieth Century Fox, but perhaps bored by the glitz of Hollywood: "I'm not into that. It's a crazy business. I enjoy the risk factor. I enjoy exercising one's taste and judgment." Owns Fox Broadcasting. Aggressive use of leverage threatened to sink company 1990-91; restructuring saved it. Sold Premiere, Soap Opera Digest, New York magazine, etc., to Kohlberg Kravis Roberts for reported $650 million. Company still highly leveraged, but his News Corp. shares are vast bulk of $2.6 billion fortune.

Richard Marvin DeVos
Jay Van Andel

Partners. Amway Corp. Ada, Mich. Richard, 66; Jay, 68. Both married, 4 children; all children serve on company's policy board. Next door neighbors, high school buddies. DeVos' father electrician; Van Andel's car dealer. Army Air Corps WWII. Postwar, started chartered air service, then hamburger stand. Joined Nutrilite, small direct-sales firm. Developed successful distribution network. After quarrel 1959, pulled out, took distributors with them. Started Amway in their basements. First product, biodegradable soap, bought distribution rights from struggling Detroit chemist. Sold so much soap in 2 years, opened own plant outside Grand Rapids. Eventually over 400 products sold person-to-person; preaching American dream, free enterprise to recruit salespeople. From 1970s, also in Australia, U.K., France, Germany, Japan. Independent Amway distributors sued by Procter & Gamble for spreading damaging rumors. Company continues to boom: marketing pacts with big names (MCI, Firestone, Coca-Cola). Company claims 1992 retail sales $3.9 billion. Net may exceed $200 million. Also real estate, jewelry, hotels, etc. With Irwin Jacobs, knocked on Avon's door 1989 with $2 billion bid for the company. Failed. Spring 1991 8% Amway Japan went public; Amway's 92% stake then worth $8.2 billion. Dropped fast, now worth over $2 billion. DeVos: "Amway is more than a company, it's a movement to help people help themselves." Partners share revival-meeting dream machine, sales operation worth some $5 billion.

Henry Lea Hillman

Industrialist, venture capital, real estate. Pittsburgh. 73. Married, 4 children. Quiet son of strong-willed coal-steel-gas tycoon John Hartwell Hillman Jr., who followed lead of Mellon and Carnegie, took over Pittsburgh Coke & Chemical and built Texas Gas Transmission. After Princeton, Henry joined business 1946, took over after father's death 1959, bought out 5 siblings (now deceased). Sold off smokestack assets to diversify into real estate, light industry. "When times change, you have to change." Invests in advanced technologies, sank large sums into Silicon Valley mid-1970s; now investing medical technology. Backed LBO shops, including Kohlberg Kravis Roberts; later his own Copeland Corp. Real estate holdings span nation. Wife Elsie leading Pa. Republican. Henry owns 80% of business empire; stepbrothers Howard and Tatnall *(which see)* split 20%; Henry's share estimated $2.4 billion.

Henry Hillman
From smokestacks to high tech.

Henry Ross Perot

Computer services. Dallas. 62. Married; 4 daughters, 1 son. Son of east Texas horse trader. Eagle scout. Annapolis. Left Navy after 4 years for IBM sales job; once filled annual sales quota in 19 days. Formed Electronic Data Systems 1962 after IBM decided against selling data processing services. Paper billionaire by 1969. Stock crashed 1970, recovered. Sold EDS to GM 1984 for some $1 billion, plus stock. Pesky GM board member; was paid $700 million to go away. Started EDS-like Perot Systems 1988; doing well. Major Dallas real estate, including Alliance industrial airport project. Huge muni bond portfolio. Renowned patriot; rescued 2 EDS employees from Iranian prison 1979. Outspoken populist image turned into 1992 promise to angry electorate:

H. Ross Perot on the stump
So far, he's proved more successful in business than politics.

get him on the ballot in all 50 states, will run for President, spend $100 million on campaign. Promised "electronic town hall," lower deficit. Thousands of "Perotistas" collected millions of signatures. Perot led Bush, Clinton in polls May, June. But weakened after hammering from press, politicians. Dropped out July: said he can't win. But couldn't stay quiet. What now, Ross? "Go to work. Go to work. I've got to pay the bills." Estimated $2.4 billion should cover Visa card *(see story, p. 72)*.

Edgar Miles Bronfman

Seagram Co. NYC. 63. Married 4 times (twice to same woman), now divorced; 7 children. Father Samuel ran small Winnipeg hotel; established liquor distillery Montreal 1924. Captured windfall during Prohibition, bought out rival Joseph E. Seagram & Sons 1928. "Mr. Sam" died 1971; split fortune among 4 children. Duties also divided: Edgar took American branch, brother Charles got Canadian subsidiary. Today one of world's leading liquor and wine producers (1991 revenues, $6.3 billion); owns 24.4% Du Pont and acquired Tropicana Products 1988. Edgar Jr. runs company day to day; Edgar

Edgar Miles Bronfman
Seven and Seven, anyone?

spends much time on outside interests, especially World Jewish Congress. Invited Jesse Jackson to speak at WJC conference on anti-Semitism; guest's comments lauding Zionism well received. Jackson: "Edgar Bronfman took a bold and courageous step. He reached out and he found there were waiting hands." Seagram's stock, other assets recently worth $2.35 billion.

Forrest Edward Mars Sr.
Forrest Edward Mars Jr.
John Franklyn Mars
Jacqueline Mars Vogel

Candy, pet food. Son, 2 grandsons and granddaughter of Frank and Ethel Mars, Seattle candymakers. After two failures, 1914 bankruptcy, moved to Minnesota 1920; struck it rich with Milky Way recipe 1923. Frank (d. 1934) financed son Forrest's British candy business to keep him out of U.S. business. Forrest Sr.: Las Vegas. 80s. Widowed; 2 sons, 1 daughter. Built candy power in Europe, returned 1940 one-third owner of U.S. company; added M&Ms, Uncle Ben's rice. Bought out half sister, won control from rest of family 1964. Built Mars, Inc. into one of world's largest candy companies. Also Kal Kan pet food, etc. Estimated 1991 sales over $10 billion. Tenets: quality ("the consumer is our boss"), cheap packaging ("they don't eat the paper"), fanatic cost control, cleanliness. Retired 1973, now completely retired; runs fine chocolate boutique Las Vegas. "I pray for Milky Way, I pray for Snickers." Forrest Jr.: McLean, Va. 61. Married, 4 daughters. Secretive like father. Set up company's Dutch unit. Now co-president. Pushed new candy image as energy food; added granola bars, noncandy snacks. John: Arlington, Va. 57. Married; 1 son, 1 daughter. Said to have inherited father's brusque, autocratic manner; began Australia operation, now co-president. Jacqueline: Bedminster, N.J. 52. Divorced, remarried; 3 children. Director. Siblings said to own Mars, yet final word still father's. With over 50 autonomous units worldwide, sun never sets on Mars empire; 4 share company worth estimated $9 billion.

Barbara Cox Anthony
Anne Cox Chambers
and families

Sisters. Inheritance. Father James M. Cox, country schoolteacher who bought Dayton (Ohio) Daily News 1898 for $26,000. Three-time Ohio Democratic governor; failed presidential bid 1920 (FDR running mate). Left politics, bought Atlanta Journal 1939, Atlanta Constitution 1950.

Anne Cox Chambers
A self-described "peasant."

Merged, now flagship of newspaper empire. Son James Jr. took over after father's death 1957, moved into cable TV, d. 1974. Sisters have 98% ownership. Gave control first to Barbara's husband, Garner Anthony, then to Barbara's son by other marriage, James C. Kennedy, 44, 1988. Cox Enterprises now 17 dailies, 8 weeklies, huge cable empire (over 1.6 million subscribers). Also Manheim Auctions, nation's largest car auction. Barbara: Honolulu. 69. Divorced, widowed, remarried; 2 children. More reclusive sister, owns ranch in Australia; chairwoman Dayton papers. Anne: 72. Twice divorced, 3 children. Atlanta socialite, crack shot. Served as old friend Jimmy Carter's ambassador to Belgium, but asserts

she's "basically a peasant." Chairwoman Atlanta papers. Two sisters share estimated $4.2 billion fortune.

Robert Edward (Ted) Turner III
Turner Broadcasting System. Roswell, Ga. 54. Twice divorced, 5 children; married actress Jane Fonda December 1991. Booted from Brown: girl found in frat room. At 24 saved late father's billboard company. Acquired small Atlanta TV station 1970, bought out partners; launching pad for "superstation" TBS 1976: beamed local programming to cable systems nationally via satellite. Now empire includes TBS and TNT (48% of revenues), CNN and Headline News (32%), MGM film library and Hanna-Barbera (13%), Atlanta (baseball) Braves and Atlanta (basketball) Hawks (4%). Big December: one week tied knot with Fonda, next week named Time Man of the Year for "redefining" news with CNN in year of Gulf war and communism's collapse. In 1991 also acquired Hanna-Barbera parent. "I approve every project." Politics in future for Mr. Fonda?

Cable TV billionaire Ted Turner looks to the 1990s
A very good year.

"You've got to make so many compromises and everything goes so slow. I like to move fast, make the decision and go." Champion yachtsman now also raising buffalo on Montana ranch. Stock, other assets worth $1.9 billion.

Philip Hampson Knight
Nike, Inc. Hillsboro, Ore. 54. Married, 2 sons. U. of Oregon track star. M.B.A. Stanford, 1962; wrote marketing paper on potential of selling athletic shoes made in the Far East. "Everybody was writing about computers and electronics, but all I really knew about was running." Price Waterhouse CPA; moonlighted importing Japanese track shoes with former college track coach, Bill Bowerman (cofounder Nike and designer of track shoes). Started making own shoes 1971 under new name: Nike. Proliferated styles, gimmicks: introduced waffle soles, 1972; air-cushioned insoles, 1979. Heavy advertising. Went public 1980. Sales boomed until Reebok bumped Nike from top spot 1986. Six-year footrace: now 31% market share, Reebok 24% *(see Fireman)*. Sneakers go only so far. Nike diversifying into apparel, accessories, casual shoes; recently acquired Sports Specialties, largest seller licensed headwear. "Headwear alone is a $1.5 billion retail segment in the U.S. and holds great potential for rapid growth internationally." Still an avid runner; tennis. Stock sale proceeds, shares recently worth $1.9 billion. "I wouldn't trade places with anybody."

Philip Hampson Knight
Carved a niche through "word of foot."

Leslie Herbert Wexner
The Limited, Inc. New Albany, Ohio. 55. Single. Dropped out of law school 1961 to work in father's clothing store. Dropped out of father's store to try "his way" with $5,000 from aunt: segment market, sell sportswear to young women. "I wanted to show my dad." Named venture the Limited—limited to women's sportswear. First year's sales: $160,000. Another skeptic, Milton Petrie *(which see)*, told Leslie to stay small. Expanded anyway; built national chain after first 5 stores went public 1969. Later borrowed, expanded via acquisitions: Victoria's Secret, Henri Bendel, Abercrombie & Fitch, Lerner New York. Also men's, children's apparel. Today over 4,100 stores nationwide, 1991 revenues $6.3 billion; seeks $10 billion sales by mid-1990s. Not confident about economy, but "Since

The Limited's Leslie Wexner
"I built a business so I can create my own world. And I live in it."

Adam and Eve, people have always wanted to look different." Harshly critical of quotas and duties on apparel: "This is Robin Hood in reverse: take from everyone and the rich keep it." Has Aspen getaway, jogs regularly. Generous with Ohio colleges, Jewish causes. Stock, other assets worth $1.8 billion.

David Packard

Hewlett-Packard. Los Altos Hills, Calif. 80. Widowed, 4 children. Scholar-athlete at Stanford: Phi Beta Kappa, football, basketball, track. With less than $500, founded HP with pal William Hewlett. Provided the business savvy; Hewlett, the engineering skill. After little success with bowling foul-line indicators, struck pay dirt with audio oscillators. HP now among world leaders in electronics—particularly strong: calculators and laser printers. Total 1991 sales: $14.5 billion. Nixon's Deputy Defense Secretary 1969-71, chaired Reagan's Blue Ribbon Commission on Defense Management 1985-86. Philanthropist: $70 million to alma mater for children's hospital 1986, $40 million to Monterey Bay Aquarium 1984; bulk of fortune to go to David and Lucile Packard Foundation. Big influence in Silicon Valley: "He can put his arms out and he can say, 'It shall be' and it happens. It's almost biblical power." Perhaps it comes of holding $1.8 billion in HP stock.

David Packard, Hewlett-Packard cofounder
"Almost biblical power."

Jay Arthur Pritzker
Robert Alan Pritzker

Brothers. Finance, manufacturing. Grandfather Nicholas Pritzker came to Chicago from Kiev 1881; started law firm 1902; joined by his 3 sons, still Pritzker & Pritzker today. One son, Abram (A.N.), got into real estate, light manufacturing late 1930s; died 1986 (lawyers minimized estate taxes so well, IRS pressing for $53 million; trial a threat). A.N.'s sons multiplied holdings. Financial wizard Jay: 70. Married, 4 children. Studied

Jay Arthur Pritzker and wife, Marian
New division: luxury retirement centers.

law, used father's credit to finance own deals. Started Hyatt hotels 1957; long run by brother Donald (d. 1972); known for extravagant architecture; expanding under Jay's son Thomas; new division offers luxury retirement centers, run by Donald's daughter Penny. Family engineer Robert: 66. Twice divorced, 5 children. Runs over 60 manufacturing, service firms through Marmon Group (1991 sales, $3.9 billion). Family also owns 85% TicketMaster, smokeless tobacco company Conwood, about one-third Royal Caribbean cruises, etc. Also real estate. Hyatt, cruises, real estate all hurting in recession. Total fortune estimated $3.4 billion or more.

Sid Richardson Bass
Lee Marshall Bass

Brothers. Oil, investments. Two of 4 sons of Perry Richardson Bass, whose uncle, oil tycoon Sid Richardson,

Sid Bass and second wife, Mercedes Kellogg
Did they honeymoon in Disney World?

started with $40 from Perry's mother. Left bulk of reported $100 million estate to charity 1959, some to Perry, who built new $50 million oil empire by 1968. Retired, gave reins to newly minted Stanford M.B.A. son Sid: 49. Divorced, remarried; 2 children. With Stanford classmate Richard Rainwater *(which see)* started doing deals 1970. Marathon Oil ($160 million estimated profit), Texaco ($450 million); Disney shares worth well over $2 billion today. Brothers Robert and Edward *(which see)* split off 1980s. Ex-wife Anne increasingly prominent NYC society. Sid dumped Anne for other socialite, Mercedes Kellogg, 1986. Alleged honeymoon spot: Disney World. Investment hint: swears never will sell Disney shares. Lee: 36. Married, no children. Yale grad (like all brothers), Wharton M.B.A. Invests with partner Sid. Second investment hint: "They find something they like, they understand, then start buying into the industry." Brothers share fortune estimated at $3.4 billion.

Walter Hubert Annenberg

Publishing. Wynnewood, Pa.; Rancho Mirage, Calif. 84. Divorced, remarried; 1 daughter (1 son deceased). Son of Moses Annenberg (d. 1942), founder of what became Triangle Publications (Philadelphia Inquirer, Daily Racing Form). At 32, Walter inherited debt-ridden company, expanded. Started TV Guide 1953, now American institution. Also Seventeen, Good Food; sold Inquirer 1970. Nixon's ambassador to Britain (1969-74). Sold Triangle to Rupert Murdoch *(which see)* 1988. Extraordinary art collection; reportedly turned down $1 billion offer from Japanese; paintings will stay together, go to NYC's Metropolitan Museum of Art upon death. Preeminent philanthropist. Annenberg Foundation contains $1.5 billion: $50 million to United Negro College Fund 1990, millions to alma mater U. of Pa.'s Annenberg School for Communication. "I'm a grateful citizen." His share Triangle sale, art, GM stock (believed largest shareholder) estimated $1.6 billion. His 4 sisters, families of 3 deceased sisters also share sale proceeds, GM stock; estimated $850 million.

Ray Lee Hunt and family

Inheritance, oil, real estate. Dallas. 49. Married, 5 children. Runs fortune for "second family" (of 3) of H.L. Hunt, legendary Texas oilman who married Ruth Ray and adopted kids 1957 after death of first wife 1955 (long kept secret from each other—*see Caroline Hunt, Margaret Hunt Hill*). His mother Ruth Ray Hunt: Dallas. 75. Widowed, 4 children. His sister Ruth June: Dallas. 47. Single. Professional Christian speaker-singer. Sister Helen: NYC. 43. Divorced, remarried; 6 children. Sister Swanee: Denver. 42. Divorced, remarried. With Helen, helps social causes for mentally ill, poor. Family inherited Hunt Oil Co., etc. 1974, comparatively small part of H.L. Hunt's em-

Publishing magnate turned philanthropist Walter Annenberg
"I'm a grateful citizen."

pire; split from first family, but on agreeable terms. Ray: conservative money manager, turned company around, expanded as first family brothers sank in silver debacle, oil bust. Hit real big time with North Yemen oil strike 1984; 10% Beatrice oilfield North Sea. Also Woodbine Development, other Dallas, Ft. Worth real estate; oil refinery, etc. Active in civic affairs. "Because of the way he spells his last name, Ray's had to earn his respect twice." Family big political supporters. Not involved in first family's silver play, bankruptcy. Net worth estimated over $1.5 billion; one source says $2 billion.

Texan Ray Lee Hunt
An oilman who sleeps well at night.

Ned Johnson, chief of Fidelity Investments
Happiness is running $182 billion of other people's money.

Edward Crosby Johnson III and family

Fidelity Investments. Boston. 62. Married; 2 daughters, 1 son. Father, Edward II, Brahmin lawyer, acquired failing Fidelity Management Corp. 1946; built leading mutual fund manager. "The market is like a beautiful woman, always fascinating, always mystifying." Includes biggest stock fund, Magellan (assets, $20 billion). Father, excellent stock picker; son "Ned," chief executive 1972, master marketer. Ned weathered decade's industrywide downturn; rebounded 1980s as company pushed money market funds, computerized. Big on service: e.g., first to offer withdrawal by check. Created mutual funds for every investor strategy to gain market share. Expanded services in face of 1987 stock crash; currently nurturing discount brokerage firm, international funds. Publishing Worth magazine. Also real estate, etc. With $182 billion under management, Ned's, family's stake worth at least $1.5 billion.

Samuel Curtis Johnson

S.C. Johnson & Son. Racine, Wis. 64. Married, 4 children. Great-grandfather, parquet flooring salesman, founded famous floor wax firm 1886. Sam, fourth generation, new products director 1955; encouraged non-Johnson's Wax items (Raid, Glade, Edge, Agree), now among company's most profitable product lines. "We are polishing the floors and furniture, cleaning the rug, killing the bugs, sweetening the air and waxing the old man's car. And whenever you get bit by a mosquito, remember I'm smiling." Secretive about business. But took sideline company Johnson Worldwide Associates public 1987 (recreational accessories) to give family liquidity. Four children active in firm: Curt, 37, runs Mexican operations; Helen, 35, runs worldwide consumer marketing services; Fisk, 34, home care business, consumer products North America; Winifred, 33, part-time public relations; investor state-of-the-art music studio Windmark Studios. Sam controls 60% of wax company, etc. Relaxes with hunting, fishing, flying. Estimated net worth over $1.5 billion.

Stephen Davison Bechtel Jr. and family

Engineering, construction. SF. 67. Married, 5 children. Grandson of patriarch Warren Bechtel, railroad builder, founder Bechtel Group. Took over gigantic global construction company (Hoover Dam, Alaska Pipeline, D.C. and SF subways) 1960 from father Stephen Sr. (d. 1989). Added nuclear facilities; has built or helped build 40% of U.S. plants. Inherited father's love for enormous projects—e.g., Jubail, reportedly $40 billion Saudi industrial city, 1970s, 1980s. Last year surpassed Fluor Corp. as world's largest construction firm (Bechtel's 1991 revenues, $7.5 billion). Major player rebuilding Kuwait after Desert Storm. Someday, Iraq? New Hong Kong airport among 1,750 active projects worldwide. Many execs from 1970s in Reagan's cabinet: George Shultz, Caspar Weinberger. Company diversified into real estate, coal early 1980s; also operates small power plants. Son Riley, 40, now president, CEO; someday chair-

man? Stephen's sister Barbara Davies may have silent interest. Bechtel Group, Bechtel Investments, etc., estimated at $1.5 billion.

Robert Muse Bass

Oil, investments. Fort Worth. 44. Married, 2 children. Third son of oilman Perry Richardson Bass, who expanded oil holdings inherited from tycoon uncle Sid Richardson (d. 1951). Perry retired 1968, left family empire to sons. Eldest, Sid *(which see; also Lee, Edward)*, diversified into stock (Disney, Texaco, etc.), real estate. Robert (Andover, Yale, Stanford Business) felt overshadowed, split off 1983, moved downstairs in Bass-built Fort Worth office tower. Sold most of Disney, went on dealmaking frenzy: media (Taft broadcasting, cable TV), real estate (sold Plaza to Trump for profit), information (bought Bell &

Robert M. Bass

Out from brothers' shadows.

Howell). Like Sid, also married blonde named Anne; but didn't divorce. Leading historical preservationist: bought Ulysses S. Grant's Georgetown home for reported $2 million. Obsessively private. "We seem to have gotten along very well without a public personality." Today "bashful billionaire" estimated $1.4 billion.

Laurence Alan Tisch
Preston Robert Tisch

Brothers. Loews Corp. Bought Lakewood, N.J. resort with father Al 1946; built $17 million Florida hotel without mortgage 1958, now 15-hotel

Laurence Tisch (top) and brother Robert of Loews Corp.

Will Larry help rescue the Reichmanns' Canary Wharf?

chain. Acquired control Loews Theatres, Inc. 1959; over years, moved company into tobacco, insurance, Bulova watch. Larry's love for turnaround plays inspired purchase of nearly 25% CBS stock; boardroom coup 1986. Larry's efforts to turn around: swiftly sold magazine, record, music publishing division 1987-88; paid down some debt. Lately family investing in could-be-bargain bank stocks (fund guided by Larry's son Tom), underwrote risky Saatchi & Saatchi stock offering. Larry (through Loews) bought stake in Macy's; Chapter 11. Lately talking to Paul Reichmann of "deal of the century"—investing in Canary Wharf. Larry: NYC and Westchester County, N.Y. 69. Married, 4 children. "Mr. Inside," behind-the-scenes financial and strategic planner. Graduated NYU at 18, master's in electrical engineering, attended Harvard Law. Business philosophy: "Profits will follow from quality." Eldest son Andrew runs Lorillard (tobacco). Bob: NYC and Harrison, N.Y. 66. Married; 2 sons, 1 daughter. "Mr. Outside," client-oriented. U. of Michigan. Left 20-month Postmaster General stint 1988, after negotiating union contract that eluded predecessors 12 years. Hobnobs with Democrats, Republicans. Bought 50% of N.Y. (football) Giants for $75 million. Son Jonathan now son-in-law of Saul Steinberg *(which see)*, runs

Loews Hotels. Philanthropists, NYU donations alone exceed $45 million. Loews stock, other assets, each brother worth some $1.4 billion.

Marvin Harold Davis

Oil, real estate. Beverly Hills. 67. Married, 5 children. Father Jack, British boxer, wove fortune in NYC's garment district, invested in oil post WWII. Marvin joined him after NYU; "Mr. Wildcatter" scooped up cheap oil leases in Rockies. Reputation: fast-deal artist; can't build a company. Sold lucrative properties to Hiram

Marvin Davis with wife, Barbara

The Japanese and the sultan got Marvined.

Walker 1981 for $630 million. Diversified interests: bought Twentieth Century Fox with Marc Rich *(which see)*; then bought Rich's share, sold in 2 parts to Rupert Murdoch *(which see)*. Sold duffer's paradise, Pebble Beach golf course, to Japanese 1990 for $840 million. Owns Aspen Skiing Co. Purchased Beverly Hills Hotel 1986 from the Boesky and Slotkins families for $135 million, flipped to Sultan of Brunei 1987 for $200 million. "Marvin will get your last nickel." Pocketed $150 million from 1989 runs at airlines UAL, Northwest. Into Hollywood glitz: "I love this stuff, the people and the glamour." Nourishes his 6'4" 300-pound frame with his own Carnegie Deli pastrami imported from NYC; friend: "I saw this golf cart coming toward me tipped over to one side . . . I knew it had to be Marvin." Estimated $1.4 billion; he claims much higher.

Gordon Peter Getty

Inheritance. San Francisco. 58. Married, 4 sons. Son of legendary oilman Jean Paul Getty. "Gordo" joined Getty Oil, rebelled against corporate culture; more interested in music than oil. To San Francisco's Conservatoire of Music 1960s; composes and conducts. Sued father for dividend income 1966; pilloried by father's lawyers, but only relative at father's deathbed 1976 *(see also J. Paul Jr.)*. Was co-trustee Sarah C. Getty trust (named after late grandmother), which held 40% Getty Oil; later sole trustee. Niece Anne Earhart *(which see)* filed first family lawsuit to oust him 1976. Touched off Texaco-Pennzoil catastrophe by sale of Getty Oil to Texaco 1984. Long criticized as businessman but sold at height of oil prices, doubled family fortune to $3 billion, tripled income. Family suit settled 1988 with dissolution of fortune into separate trusts run for and by family members. Gordo's quarter-plus, other wealth estimated at least $1.35 billion.

Gordon Getty with wife, Ann

Gordo does opera, deals.

Donald Leroy Bren

Real estate. Newport Beach, Calif. 60. Twice divorced, 4 children (youngest child with longtime companion). Grew up Hollywood. Father real estate developer/movie producer Milton Bren. Donald attended public schools, took on odd jobs for money. Stepmother Academy Award-winning actress Claire Trevor. U. of Washington on ski scholarship, lost Olympic bid 1956; Marine Corps. With $10,000 bank loan built first house 1958; flourished in home building boom. Sold out 1970 to International Paper for $34 million; bought back 1972 for reported $22 million. Big break 1977: Joined Al Taubman, Milt Petrie, Max Fisher, Herb Allen *(all of which see)* to buy Irvine Ranch. Bought out most partners for $518 million 1983 (valuing property at $1 billion). Partners, original owners, Joan Irvine Smith and Athelie Clark challenged price as inadequate; eventually pair were awarded over $250 million. Bren controls 63,000 acres Orange County; expen-

Donald Bren, owner of California's Irvine Co.

His symphony slows.

sive condos, office parks, etc. "I view myself as sort of a grand conductor." Present real estate movement: molto poco. Trying to sell assets. Thought to be worth $1.3 billion, perhaps more.

Samuel Jayson LeFrak

Real estate. NYC. 74. Married, 4 children. Sam joined immigrant father's construction firm after U. of Maryland, took over 1948. Became nation's largest apartment landlord: "I'm like a farmer, but rather than reap 2 crops a year, I bring in 12 . . . each month when our rents come in." Developed over 200,000 apartments to "serve the mass, not the class" in Queens (LeFrak City), Brooklyn, etc. Later, Wall Street area (Battery Park City). Building 600 acre, $10 billion waterfront site, Newport, N.J., including 1.2 million sq. foot Newport Centre Mall with Mel Simon *(which see)*; waiting out real estate depression. Also interests in entertainment, music publishing, oil/gas, investments. Collects art. Net worth estimated at $1.3 billion; he claims twice that.

William Bernard Ziff Jr. and family

Publishing. Manalapan, Fla. 62. Divorced, remarried; 3 sons from first marriage. Father WWI aviator, noted lecturer, author, cofounded Ziff-Davis 1927; died 1953, Bill 24. "I didn't grow up with businessmen as my heroes, but my dad died and I wanted a piece of him." Bought out Davis; expanded into upwardly mobile niches: Car & Driver, Boating, Yachting, etc., ultimately some 35 magazines, 6 TV stations. Sold while fighting cancer 1980s: stations for about $100 million 1983; 12 trade magazines to Rupert Murdoch *(which see)* for $350 million; 12 consumer magazines to CBS for $363 million 1985. CBS sued, claiming misleading financial information, inflated sales price; CBS sold at profit 1987. Suit is now inactive. Ziff Communications kept, built up computer-related titles: PC Magazine, PC Week, PC/Computing, also newly launched Windows Sources. Now has total circulation about 3.2 million; prospering in down market. "The idea that print is dead is preposterous." Family setting up N.J. private trust company to strengthen control over inheritance and provide services to trusts, which may lessen danger of future family squabbles over fortune estimated to be $1.3 billion.

Publisher William Ziff
Cleverly promoting print.

NYC real estate mogul Samuel LeFrak
Is he worth twice as much?

Lester Crown and family

Inheritance, industrialist. Wilmette, Ill. 67. Married, 7 children (3 in business). Son of the late Henry Crown (d. 1990), renowned Chicago financier. With two brothers, father created building supply firm Material Service Corp. 1919. Cost advantages helped outlast fierce Depression competition, gain dominant market share after. Bold negotiations based on knowledgeability exemplified career. Colonel during WWII. Lester: "He was as humble as he was able." Postwar, purchased large stakes in stocks, real estate. Merged with General Dynamics 1959, received preferred stock; later sold after dispute with GD management. Waited for GD stock fall, bought 1960s, ousted management, turned company around. Son Lester, Harvard M.B.A., conservative family man. Still heads Material Service Corp.; controls fortune, much in family trusts. Recently sold half family's GD stock back to company for

$354 million to "take care of taxes and debt"; says he's still in GD for long haul. Amid family infighting, bought out cousins who opposed Lester's management 1990. Separately, in-law Schine family suing. Crown fortune taking a recession hit, but still estimated $1.3 billion.

Charles de Ganahl Koch
David Hamilton Koch

Brothers. Oil. Sons of Fred (d. 1967), cofounder Winkler-Koch Engineering Co. 1925. Developed thermal-cracking refining process to extract extra gas from crude 1928; U.S.S.R. was a customer. Early (1958) member John Birch Society. Four sons

Charles Koch
Were his brothers plotting?

inherited $250 million (sales) oil marketer; renamed it Koch Industries. Charles: Wichita, Kans. 56. Married, 2 children. Joined Koch after management consultant gig. Three MIT degrees. Workaholic chairman; bought refinery, then chemicals, pipelines, ranching. Koch Industries now second-largest (revenues) family-owned business in U.S., after Cargill; sales over $19 billion. David: NYC. 52. Single. Joined 1970; executive VP; 1980 Libertarian VP candidate. Survived Los Angeles USAir crash 1991, 34 passengers died: "I

David H. Koch
"We got the company."

thought calmly, 'I have had a lot of interesting experiences in my life, and now I am about to have the experience of death.'" Bitter family fight 1981-83 over control with brothers Fred and William *(which see)*: Bill (David's twin) claimed dividends chintzy, company mismanaged. Charles: Bill had "various psychiatric ailments." Settled for close to $1 billion. David: "They wanted the cash and they got it. But we got the company." Company subject of 1989 Senate investigation on stealing oil from Indians in Southwest: David and Charles charge plot by William to discredit business. Company cleared. Don't need Indians' oil: Charles and David share 80% of company worth over $3 billion.

James Lawrence Walton

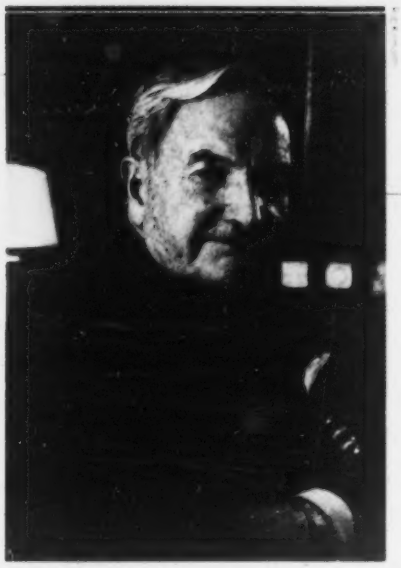
Wal-Mart Stores. Bentonville, Ark. 70. Divorced, 2 daughters. Operated small 5-and-10 store in Missouri. Joined older brother Sam (d. April), whose merchandising concept, large discount stores in rural towns, took off. Brothers expanded to 15 stores in 10 years, became Wal-Mart 1962. James (Bud) quieter, less charismatic of the two, looked after real estate. Mastered logistics of supplying, managing largest retail store in nation: now over 1,700 Wal-Mart stores (1991 sales, $43.9 billion). Currently senior vice president. Prefers solitude of fishing trips (Alaska, Argentina, etc.). World's richest good ol' boy has 21.5 million shares Wal-Mart stock worth $1.25 billion.

John T. Dorrance III
Bennett Dorrance
Mary Alice Dorrance Malone

Brothers, sister. Campbell Soup. Grandfather John T. Dorrance Sr. brilliant chemist (passed up professorship for job at uncle's Campbell Preserve Co. making $7.50 per week 1897) who served up soup in cans. President of company 1914, showed he was also a talented marketer: "We were the original advertiser in many ways." On death 1930, left $128 million estate to wife, 5 children. His son, John T. Jr. (d. 1989), hourly factory hand 1946; chairman 1962. Company increased varieties, added frozen foods, poultry, etc., 1950s. J.T. Jr. left most of his 50% to his children and grandchildren. John T. III (Ippy): Devil's Tower, Wyo. 48. Married, 2 children. Campbell director; personally manages his 17,000-acre Ipy ranch. Bennett: Paradise Valley, Ariz. 46. Married; 2 children. Director; also runs DMB Associates (investments, suburban office buildings) in Phoenix. Mary Alice: Coatesville, Pa. 42. Married; 2 children, 2 stepchildren. Has horsebreeding operation at Iron Spring Farm. Three siblings united against some other family members *(see Hamilton et al.)* who wanted to sell the "company that turned the nation on to soup." Their 32%, etc., recently worth $3.3 billion.

David Rockefeller Sr.
and family

Inheritance; banking, real estate. NYC; Tarrytown, N.Y. 77. Married, 6 children. Grandson of John D. Rockefeller; youngest of 5 brothers *(see Rockefeller family, Laurance, Winthrop)*. Ph.D. economics U. of Chicago 1940. Chase Manhattan Bank: CEO 1969-81. Took up mantle of international statesman. Major role NYC real estate, 40% San Francisco's Embarcadero Center. Led family in 1985 cash-out of Rockefeller Center, acceding to wishes of cash-hungry younger rel-



David Rockefeller Sr.
Passing the baton to David Jr.

atives. Recently relinquished chairmanship of Rockefeller Group (diversified investment firm now 80% owned by Mitsubishi Estate Co.), Rockefeller Financial Services (main family money manager) to son, David Jr., 50. David Sr.'s investments in real estate, his branch's trusts, etc., estimated at least $1.1 billion.

Kirk Kerkorian
Investments. Beverly Hills, Las Vegas. 75. Twice divorced, 2 children. Son of Armenian immigrant fruit farmer, junior high dropout, lightweight amateur boxer, repaired and sold junk cars; trained U.S. fighter pilots, captain in Royal Air Force WWII. Flew surplus Air Force planes across Atlantic; built charter airline; sold company for $104 million profit 1966. Paid $82 million for 40% MGM in hostile takeover 1969, $380 million for United Artists 1981; merged both 1986. Shuffled assets in complex deal with Ted Turner *(which see)* for $500 million plus stock, bought back for $480 million 1987. Sold entire bag to Giancarlo Perretti's Pathe for $1.3 billion. Since bought chunk of Chrysler; continues shopping. Owns 81% MGM Grand: hotel-casinos, luxury airline; billion-dollar plan for Las Vegas theme park, 5,000 room hotel-casino now under construction. Claims never to have taken a salary or perks from companies. Quite a bit of cash, though, and a total net worth estimated $1.1 billion.

Kirk Kerkorian
Chrysler's backseat driver.

Samuel J. Heyman
Corporate takeover. NYC. 53. Married, 4 children. Yale (tennis champ), Harvard Law, worked under Bobby Kennedy at Justice Dept.; chief assistant U.S. Attorney in Connecticut. When father died 1968, wanted to liquidate family real estate business: "It became so fascinating I decided to stay." Specialized in shopping malls 1968-83. Bought GAF shares 1981; successful proxy fight against "selfish management" put Heyman in control. Through Drexel's junk bond network, went after competing Union Carbide, Borg-Warner; made over $450 million. Took GAF private 1989 through $1.4 billion LBO. Has run it 9 years. Recently took public GAF's specialty chemicals unit, dubbed International Specialty Products, on hope to expand internationally. "The harder you work, the luckier you get." Funded Heyman Center on Corporate Governance at Cardozo Law School. Extensive contemporary art collection. Owns 90% GAF, but privately held debt reduces net worth to estimated $1.1 billion.

Edward Perry Bass
Oil, investments. Fort Worth. 47. Single. Second of 4 brothers *(see other Basses)*. Yale, Coast Guard, Yale architecture school; only non-M.B.A. Bass brother. Influenced by commune outside Santa Fe, funded worldwide projects including Nepal hotel: "One thing my travels have given me is an

GAF Corp. Chairman Samuel Heyman
From hard work, luck.

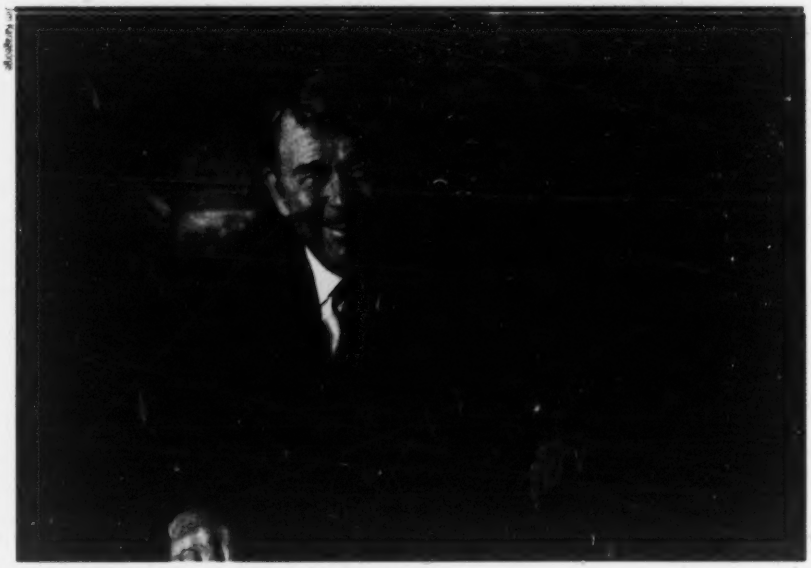
understanding of culture." Spending millions on experimental enclosed ecosystem in Arizona: Biosphere II. Loner. Spends half a year at 500,000-acre Australian cattle ranch. "His best moments are sitting by the campfire in the Himalayas." Over $20 million to establish Institute of Biospheric Studies at Yale. "Only 10% of his investments are nutty." Disney stock, other holdings recently valued near $1.1 billion.

Steven Anthony Ballmer

Microsoft. Bellevue, Wash. 36. Married, no children. Grew up in Detroit, son of Swiss immigrant. Father worked 30 years in Ford Motor finance dept. Steven: Harvard grad, studied applied math, economics. At Procter & Gamble a couple of years: assistant product manager. One year at Stanford Graduate School of Business. Left 1980 to join Harvard classmate William Gates III, Microsoft; first nonprogrammer hired. Came up with a technique for hiring future employees: brain-teaser questions. "They don't have to get the right answer. But I want to see how they go through the process." Formerly senior VP systems software group, responsible for systems software development, marketing until 1992. Now executive VP sales and support. Works, on average, 12-hour day. Enjoys running, even off job. Ballmer, later hirees going through process well enough to make his Microsoft stock recently worth $1.1 billion.

Joan Beverly Kroc

Inheritance. Rancho Santa Fe, Calif. 64. Divorced, widowed; 1 daughter from first marriage. Third wife of Raymond Kroc, milkshake-machine salesman out of Chicago who built McDonald's Corp. into giant worldwide purveyor of a classic American cuisine. Bought into McDonald brothers' San Bernadino burger joint 1954; bought them out for $2.7 million 1961. Joan: musician, music teacher. At 28, met Ray, then 54, in Minnesota restaurant 1956; wed 1969. On Ray's death 1984 inherited stock, etc. Became active philanthropist; founded hospice, homeless shelter, tiger habitat; big donor to Democratic Party. Says gifts result of her "love affair with life." Owns "pine cone" Fabergé egg estimated $3 million. Former owner San Diego (baseball) Padres, bought by Ray 1974. Remaining McDonald's stock, other assets, recently worth $1.1 billion.



Hewlett-Packard cofounder William Redington Hewlett

"Never try to take a fortified hill."

William Redington Hewlett

Hewlett-Packard. Portola Valley, Calif. 79. Widowed, remarried 1978; 5 children, 5 stepchildren. Founded Silicon Valley pioneer with Stanford buddy David Packard *(which see)* in Palo Alto garage 1939 (pair scraped together $538). Described now-legendary landmark as "a bunch of junk." Technical whiz: first breakthrough product, audio oscillator, based on design as MIT grad student (Walt Disney bought 8 for *Fantasia*). Early years "we did anything to bring in a nickel," bowling foul-line indicator, automatic urinal flusher. Driving force behind scientific shirt-pocket calculator—now 20 years old. Advice to young manager on IBM: "Never try to take a fortified hill, especially if the army on top is bigger than your own" (manager now runs highly successful HP laser-printer operation). Outdoorsman, philanthropist. Hewlett Foundation, worth over $800 million, gave away $35 million 1991 to higher education, arts, population growth, urban problems, environment. Manager by "wandering around"; retired 1987. Hewlett-Packard stake worth $1.1 billion.

Milton Petrie

Petrie Stores. Southampton and NYC. 90. Twice divorced, widowed, remarried; 3 children. Father was Russian immigrant pawnbroker; went broke. Son started as $10/week department store clerk after high school. Lied his way into advertising jobs. Opened hosiery store Cleveland 1929 with $5,000, half won from playing craps.

Milton Petrie

Teddy bears from the workers.

Expanded to Philadelphia 1937; went bankrupt same year but paid off creditors in full within two years. Rebuilt; postwar, brought moderately priced clothing into suburban shopping malls. Now a leading chain in women's apparel at moderate prices for young adults; 1,679 stores in 50 states and Caribbean. Brand names include Stuarts, Marianne, G&G, Rave, etc. Recovered alcoholic. Office filled with teddy bears from employees. Generous with money. "I try to pay the good Lord back for what he's done for me." Works mornings, plays bridge in afternoons. Estimated net worth at least $1 billion.

Paul Mellon

Inheritance. Upperville, Va. 85. Widowed, remarried; 2 children by first wife. Grandfather Thomas started Mellon Bank forerunner. Father Andrew: U.S. Treasury Secretary, founder National Gallery *(see Mellon family)*. Scion of famous, powerful, envied family felt lonely, vulnerable as child. Choate, Yale, Cambridge. "My isolation in university allowed me to be completely unaware of unemployed farmers living at subsistence level only a few miles away as the Depression took its grip." Paul floated in and out of family business. Little appetite for commerce, but felt deeply responsibilities of wealth. Generous, kindly philanthropist. Short stint in analysis with Carl Jung. "Wealth offers no immunity against pain and sorrow." Finally settled into life of gentleman farmer, intellectual, Anglophile. Fifty-plus years of fox hunting on 4,000-acre estate. Found metier as art collector; among most admired in country. Adding to already huge art collection; famous for French impressionists, English painters. One of top U.S. collections, even after donating some $250 million in art to Yale, National Gallery, Virginia Museum of Fine Arts. Paul says he's "picture-poor" but with family trusts, etc., worth $1 billion or more.

Laurance Spelman Rockefeller and family

Inheritance, investments. NYC, Tarrytown, N.Y. 82. Married; 3 daughters, 1 son. Grandson of John D. Rockefeller *(see family)*. With David *(which see)*, chief investor of his generation. Big returns on early venture capital investments seeded from huge 1934 trust: Eastern Air Lines, McDonnell Douglas, $100 million gain Apple Computer. Also developed remote, exclusive resorts West Coast, Caribbean, Hawaii (most sold). Chaired Rockefeller Center Inc. 1953-66. Environmentalist: donated thousands of acres to national parks, reserves. Son Laurance, 47, environmental attorney; trying politics. Also $36 million to Memorial Sloan-Kettering Hospital; $21 million to Princeton. Unwinds at Pocantico Hills, family's enormous compound near NYC. Always introspective: supports Zendo, an offshoot of Buddhism that preaches self-enlightenment. His, immediate family's portion Rockefeller fortune estimated a very enlightening $1 billion.

Laurance Spelman Rockefeller
Intelligent investor.

Peter E. Haas Sr. and family

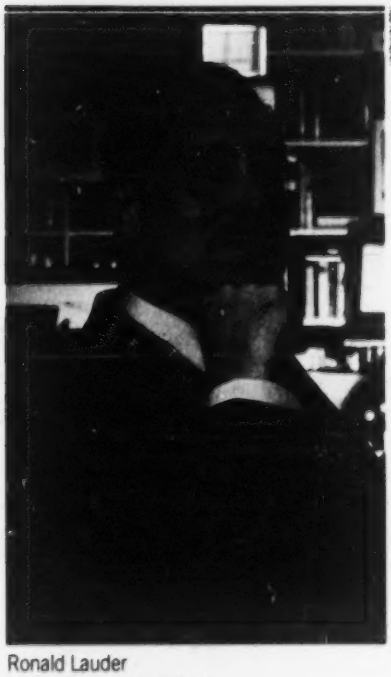
Blue jeans. San Francisco. 73. Married, 3 children. Levi Strauss died a bachelor 1902, left company to 4 nephews, sons of only sister *(see San Francisco Haases)*. Walter Haas Sr. (d. 1979) married Levis Strauss' grandniece, ran Levi Strauss & Co. 1928-55. His sons Walter Jr., Peter joined after Harvard Business School. Walter handled advertising and marketing; Peter operations and finance. Walter CEO 1970-76; Peter CEO 1976-81. Walter took company public 1971; Walter's son Robert *(which see)* took private again 1985 in $1.6 billion leveraged buyout. Peter now active director, honorary chairman world's largest apparel firm amid successful application of basic LBO principle: use big cash flow to pay down debt. Spends more time now in different saddle: owns string Morgans. Debt paydown, rising sales and profits vastly increasing company's net worth. Also Peter's: his interest estimated just over $1 billion.

Estée Lauder
Leonard Alan Lauder
Ronald Steven Lauder

Mother, 2 sons. Cosmetics. NYC and the Hamptons. Estée: ageless. Widowed, "I never thought I'd make it big. If I felt I had made it, I would be somewhere nice, like St. Moritz, skiing." Josephine Esther Mentzer born to Czech-Hungarian immigrant parents in Queens. Sold skin creams for chemist uncle; launched company with 4 products 1946; haunted department store buyers until she landed orders. Summer resort romance led to marriage to Joseph Lauder (d. 1983). He became administrator and escort. She mingled with rich and beautiful, developed, promoted

Leonard Lauder
Minding mother's business.

Ageless Estée Lauder
"If I felt I had it made, I'd be somewhere nice, like St. Moritz."



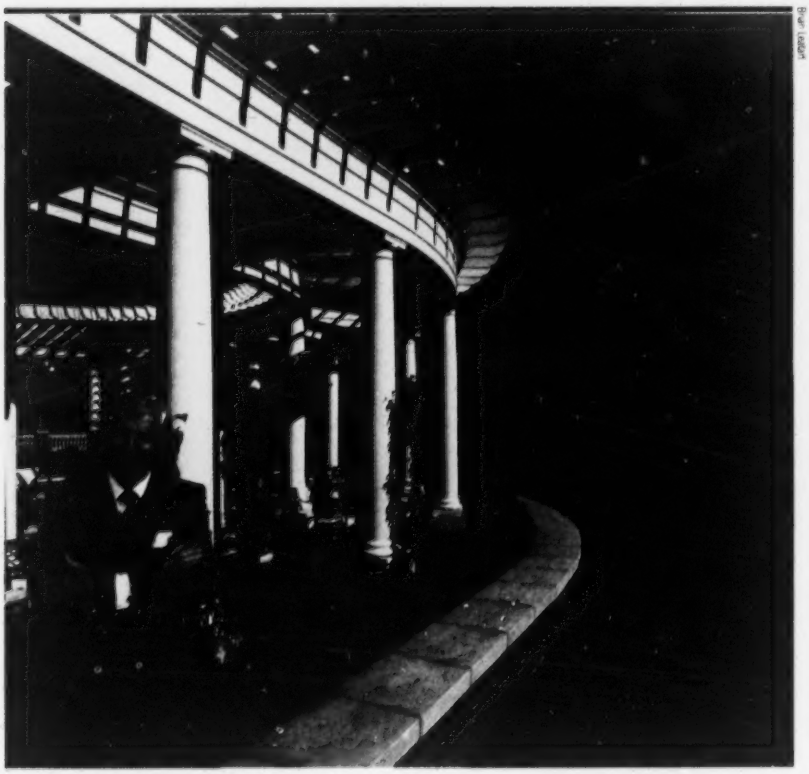
Ronald Lauder
The diplomat/politician son.

products. Claims to "see" fragrances, consumer trends; built one of world's largest cosmetics companies: Estée, Clinique, Aramis and now Origins (natural products, recyclable containers for younger, sincere crowd). "I never look at the competition—I don't even know who the competition is: Every day they have a different president." No longer in day-to-day operations. Leonard: 59, married, 2 sons. Current CEO, credited with much of company's huge growth. Wife Evelyn a senior executive; son William, running Origins, seen as heir apparent. Ronald: 48. Married, 2 daughters. Left management 1983 for public service: deputy assistant defense secretary, ambassador to Austria. Ran for mayor of NYC, trounced in primary, spent estimated $350 per vote. Back to Estée; set up investment firm CEDC to fund Eastern European ventures; opened stylish perfumery in Moscow 1989. Three control family firm estimated worth at least $3 billion.

Margaret Hunt Hill and family
Trust, oil. 76. Widowed, 3 children. Eldest daughter of legendary Texan wildcatter H.L. Hunt *(see also Caroline Hunt)*. He taught her oil business when young. Manages trust for brother, Hassie (had mental breakdown, lobotomy; childless). Along with sister stayed away from three other brothers' silver debacle. Bought their repossessed land after 1980 silver crash. Reportedly insisted "the boys" (later known as "The Three Stooges") use additional personal assets to secure company; she denies. Boys now being sued for allegedly channeling assets to family members before filing for bankruptcy. With Caroline, pulled out her and Hassie's share family oil company 1983. Now runs separate oil, real estate operation. Son Al runs Hill Holdings Inc., managing partner Hill Investments Ltd. Al owns video production company AGH Productions: corporate training, commercials, sports instruction videos. Her fortune, including Hassie's trusts, is estimated at least $1 billion.

Marvin Maynard Schwan
Food distribution. Sioux Falls, S.D. 63. Divorced, remarried; 4 children. Father Prussian immigrant to Minnesota 1921; built dairy plant 1948. Marvin put self through college, working summers. Joined family milk bottler 1950. Local price cap forced business out on the road. Found isolated rural families eager buyers from Schwan trucks, soon equipped like traveling 7-Elevens. Now private Schwan Sales Enterprises; 1991 sales estimated over $1 billion. Expanding into better outlying suburbs; over 2,500 trucks, 49 states. Also leasing, ice cream, pizza, etc. After longtime monopoly of school lunch and local grocery low-priced pizza market (brands like Tony's, Better Baked), competition now eating up some prized market share. Very private, fanatical business secrecy, surrounds self with inner circle of Schwan ladder-climbers. Moved to South Dakota perhaps for tax benefit; owns several corporate planes. Owns over 90%, likely worth over $1 billion.

David Howard Murdock
Real estate, takeovers. Bel Air, Calif., NYC. 69. Divorced, widowed, remarried; 2 sons. Traveling salesman's son, dropped out of school in 9th grade. After WWII to Detroit, borrowed $1,800 to buy diner, sold for profit. Then Phoenix: built homes, founded bank, accumulated $100 million fortune; Phoenix market collapsed 1964. With remaining $1 million moved to LA 1966, invested in real estate, small companies. Helped merge Iowa Beef Processors into Occidental Petroleum, quarreled with Armand Hammer but left with $100 million. Helped save Continental Group from raider Sir James Goldsmith 1984, bought out 1985 for about $150 million. "Murdock manages to get bought out, and he manages to get bought out pleasantly. That's part of his genius." Merged Flexi-Van into Dole Food Co. (formerly Castle & Cook), now has 23%; is chairman, CEO. Bought Cannon Mills 1982, sold to Fieldcrest Mills 1985. Owns Cornhusker Hotel in Lincoln, Neb., Harbor Court in Baltimore; also country clubs, other real estate; Arabian horses. Prominent GOP fundraiser. Estimated at least $1 billion.



David Murdock at his Sherwood Country Club in California
"I wanted to create a feeling that you were in some wealthy family's home."

Michel Fribourg and family
Grain trader. NYC. 79. Widowed, remarried; 5 children. Michel's great-great-grandfather started trading grain Belgium 1813; grandfather prospered trading gold for wheat during 1848 famine. Family sent managers to found Continental Grain Co., Chicago 1921; immigrated after France fell 1940. Michel left U.S. Army intelligence to take over on father's death 1944. Diversified into other agribusiness areas (poultry, animal feed, hogs and cattle, flour milling), financial services, merchant banking. Recent partnership with Tosco Corp. to start petroleum trading company. Interest in Overseas Shipholding Group, nation's largest independent owner and operator of U.S.-built tankers. Michel still chairman Continental, son Paul an executive VP. Family very private. All told, may be worth $1-billion or more.

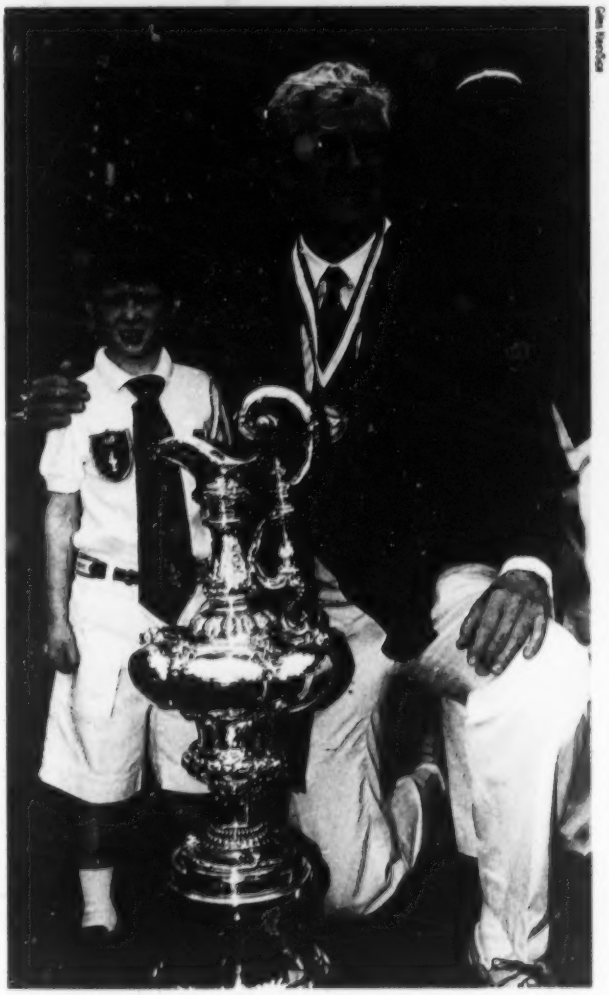
Harry Brakmann Helmsley
Real estate. NYC and Greenwich, Conn. 83. Divorced, remarried; childless. Started in real estate firm mailroom; collected rents. Brokered buildings, reinvested commissions for down payment. Began buying ordinary, unpretentious buildings matching his unassuming manner 1930s. First wife Quaker; he converted 1940. Brilliant financial mind: pioneered real estate syndication with late Lawrence Wien. By 1950s moving up to prime Manhattan buildings; Empire State Bldg. 1961: "Money's the great motivator." Today Helmsley partnerships control 50 million sq. ft. commercial space, 50,000 apartments; 13,000 hotel rooms nationwide. Shocked associates with divorce 1972, remarriage to star broker Leona Roberts. Played romantics before press cameras 1970s, 1980s, until cited for tax evasion 1989. Leona ("only the little people pay taxes") serving 4-year sentence; Harry declared mentally unfit for trial. No obvious successor. Harry still collecting receipts on empire. By now little leveraged; believed still worth $1 billion despite real estate collapse.

Harry Helmsley
Getting by without Leona.

Barbara Piasecka Johnson
Inheritance. Princeton, N.J. 55. Widow, no children. Third wife of John Seward Johnson (d. 1983), heir to Johnson & Johnson empire. Art history M.A., U. of Wroclaw; to U.S. 1968. His upstairs chambermaid, then "personal" curator, scuba partner. Married 1971, 8 days after his divorce; he was 76; she, 34. Home is $30 million estate near Princeton: "Jasna Polana." Huge will battle with his children. Offer to save renowned Gdansk shipyards 1989 dropped when Polish workers turned down $1/hour, 2,000 layoffs. Paid $15 million for 18th-century Badminton cabinet 1990, finally at home; other pieces on block to make room. If she held on to all Seward's J&J stock, worth would be $1 billion; not clear that she did.

William Wrigley
Chewing gum. Chicago; Lake Geneva, Wis. 59. Twice divorced, remarried; 3 children. Grandfather, William Wrigley Jr., headed to Chicago 1891 to push soap for father's Philadelphia business. Offered baking powder as incentive to buy soap; big hit. Then chewing gum as incentive to buy the baking powder; huge success. Introduced Wrigley's Spearmint gum 1893. In 1915 mailed sample stick to everyone in U.S. phone books. Today grandson-namesake runs company. Began value pricing program in 1987—but now means 5-stick pack for 25 cents; once was a nickel. Also Big League Chew and Hubba Bubba. William's stock recently worth $965 million. Late cousin Offield's heirs hold about $370 million worth.

William Morse Davidson
Guardian Industries Corp. Bloomfield Hills, Mich. 69. Thrice divorced, 2 children. Dabbled as lawyer but found talent rescuing failing businesses. Resuscitated uncle's flagging windshield business, took over, took public 1968, private in $500 million leveraged buyout 1985. Now world's fifth-largest glassmaker: 15% of flat glass market, 8% auto market; sales around $1 billion. Forced by courts to pay over $40 million to competitors in patent-infringement suits. Ex-colleague: "Why pay for R&D when you could get it otherwise?" Also some $15 million penalties for union-busting. Owns majority Detroit (basketball) Pistons, Detroit sports complex. "I've always loved games, whatever they are." Estimated $950 million or more.



William Koch skippers America³, the victor in this year's America's Cup, off San Diego **Koch kicked in $10 million of his own money toward the $68 million spent by the San Diego Yacht Club to defend the Cup. Koch's team accepted no advertising on the boat. Said Koch, "I said we'd do it and we damn well did."**

Winthrop Paul Rockefeller
Inheritance. Morrilton, Ark. 43. Divorced, remarried; 3 children by first wife, 2 by second. Great-grandson of John D. Rockefeller, only child of "black sheep" Winthrop (d. 1973, *see Rockefeller family*), who converted rocky mountaintop into Winrock Farms; twice Arkansas GOP governor. Win Paul offspring of brief marriage to Barbara (Bobo) Sears; European schooling; dropped out of Oxford after first year. Runs Winrock, one of largest private cattle operations in Southeast. Set up Law Enforcement Assistance Foundation to aid local sheriffs; has accompanied area police on patrols. Republican, some suspect political aspirations. Very philanthropic. His share of family fortune believed $950 million or more.

Donald Joyce Hall
Barbara Hall Marshall
Elizabeth Ann Reid
Brother and sisters. Hallmark Cards. Mission Hills, Kans. Father, Joyce Hall (d. 1982), midwestern preacher's son. With brothers began distributing postcards 1905, gradually switched to greeting cards. Created new American industry: prepackaged sentiment for all occasions.

Heavy advertising in late 1920s burnished name recognition; avoided WWII rationing by convincing government that cards boosted national morale. Now Hallmark leads industry (1991 sales were $2.8 billion). Over 700 employees develop 24,000 cards (plus gift wrap, fuzzy animals, etc.) a year. New computer-based system lets consumer personalize own greeting cards, invitations and announcements. More than 200 designs are in the system. Hallmark also has stakes in media groups. Family controls two-thirds of private company; employee plan has rest. Children: "Just plain Midwest folk who happen to be the progeny of a genius." Donald: Mission Hills, Kans. 64. Married, 3 children. Chairman's one-third of company estimated $950 million. Barbara: Kansas City, Mo. 69. Widowed, 2 children. Elizabeth: Denton, Tex. 70. Divorced, 5 children. Sisters each have one-sixth Hallmark, estimated $475 million each.

Jesse Jackson and Edgar Miles Bronfman Sr. **Ecumenicists at work: In his role as president of the World Jewish Congress, Bronfman talks to Jesse Jackson after Jackson's speech condemning anti-Semitism and praising Zionism.**

Donald Wortbington Reynolds

Publishing. Las Vegas. 86. Thrice divorced, 3 children. Son of door-to-door grocery peddler. University of Missouri journalism school. Fired from first 2 jobs. "They've both since gone broke." Scraped together $1,000 to invest in printing plant. WWII shrapnel hit in forehead: "It got rid of my sinus trouble." Helped publish wartime magazine Yank. After, acquired small dailies, found métier: built highly profitable Donrey Media Group; today more than 100 papers (1991 revenues over $300 million), television station, 5 cable companies, billboards. Union-buster, cost-cutting fanatic. "Ungrateful" children uninterested; foundation to get estimated $950 million empire when Reynolds reaches "big newsroom in the sky."

Joseph A. Albertson

Albertson's Inc. Boise, Idaho. 86. Married, 1 daughter. Left college in Depression to manage Kansas Safeway store. In 1939 began Boise grocery with life savings of $5,000, $7,500 loan. In 1969 partnership with Leonard Skaggs *(which see)*; developed grocery, drug store under one roof, common checkout line. Split amicably 1977, each took 29 stores. Expanded his Albertson's into sixth-largest operator of joint food and drug stores: 641 in West, Midwest, South. Company still expanding. No longer running company but at work daily. "To be successful in any business, you have to have the product people are willing to pay for, plus tender loving care." His Albertson's shares were recently worth $930 million.

Jack Kent Cooke

Real estate, investments, sports. Middleburg, Va. 79. Remarried after 3 divorces; 2 sons by first wife, daughter by third (who signed, ignored prenup deal to end pregnancy). Son of Canadian picture-frame maker ruined in Depression. Jack sold encyclopedias door-to-door. Bought first radio station age 25, then added newspapers, magazines. Millionaire before 30. Naturalized 1960 by act of Congress. Bought LA (basketball) Lakers, built Forum, sold all in 1979. Bought NYC's Chrysler Building 1979, LA Daily News 1985. Over $500 million profit buying, selling cable systems in late 1980s. Won't sell Washington (football) Redskins, 1992 Super Bowl champs ("I'm in heaven"); plans new stadium. Net worth estimated $900 million or more.

Charles F. Feeney

Duty Free Shoppers. London. 61. Married to Frenchwoman, 5 children. Started Hong Kong 1960 with Cornell School of Hotel Administration classmate, built world's largest duty-free retailer. Sales over $2 billion. Targets Japanese tourists: gives tour guides hefty commissions to steer customers. Left operations 1970s to invest huge cash flow via Bermuda-based General Atlantic Holding company, Hong Kong/San Francisco-based InterPacific. Resort hotels Guam, Saipan; Tahiti shopping center; Taiwan watchmaker, etc. High-strung, fast-talking. Flies economy, "most content at 36,000 feet." Reclusive. Margins, sales down with Japanese tourism, but his 38% Duty Free Shoppers, etc. estimated over $900 million.

Philip Frederick Anschutz

Oil, railroads, investments. Denver. 52. Married, 3 children. Kansas native, U. of Kansas. Father Fred oil rig operator, unknowingly bought ranch on oil-rich land; Phil bought out dad 1961, sold rigs. Aggressively pursued oil, gas leases. Struck it rich at Anschutz Ranch East in Utah, Wyoming 1970s; perhaps largest U.S. gas field. Amoco drills, Phil collects royalties. Sold half to Mobil for $500 million 1982. Went into minerals, Denver real estate, stocks (nearly $100 million profit from ITT, Pennwalt). Bought Rio Grande Railroad for $500 million 1984; added Southern Pacific 1988. But big trouble: selling

Samuel Moore Walton
1918-1992.

railroad land, other assets to cover huge operating losses, interest expenses. Major art collector. Estimated over $900 million.

Harold Clark Simmons
Investments. Dallas and Montecito, Calif. 61. Twice divorced, remarried; 4 daughters, 2 stepchildren. Son of Texas schoolteachers, worked as FDIC bank examiner, bought Dallas drugstore for $5,000 at 29. Created 100-store chain, sold to Jack Eckerd Corp. for $50 million stock 1973. "Texas gunslinger" collected conglomerate (chemicals, oils, sugar, fast food) through hostile takeovers: pocketed $138 million on GAF; $89 million on SeaLand. "Everybody's got to do something." Most assets now in Valhi Inc.; also real estate Tex., La., Colo., Ariz. Increased stake in Lockheed to 20% in 1990; big mistake—lost $50 million. Bloodied but unbowed; amassing cash pile for right deal. Active philanthropist: $10 million for arthritis research center 1985 (longtime sufferer), $41 million to U. of Texas Southwestern Medical Center 1988: "What do you think I am going to do with my money?" Majority of assets to go to medical foundation. Family man, skier, tennis player, dirt biker. Stock, real estate, etc., recently estimated $900 million.

James R. Cargill
Margaret Cargill
W. Duncan MacMillan
John Hugh MacMillan III
Marion MacMillan Pictet
Whitney MacMillan
Cargill MacMillan Jr.
Pauline MacMillan Keinath
and families
Cargill, Inc. Descendants of William W. Cargill, Long Island-born immigrant's son, moved west and set up company to trade grain 1865; quickly surpassed competition. John MacMillan Sr. took over 1909, after death of father-in-law Cargill. Company became world's largest commercial grain trader; now worldwide in agricultural commodities, financial services, manufacturing, etc. Private as ever, 1992 sales estimated $50 billion, net income over $350 million; books said to be conservative. Whitney MacMillan current chairman, CEO. Three branches believed to split equally voting stock of estimated $5-billion-plus fortune. First branch: James: Minneapolis. 68. Married, 3 children. With Cargill since 1947, retired as senior VP 1990; still director. Runs Dinnaken Properties: builds housing for U. of Minnesota. Expert trout fisherman; owns small jewelry store. Margaret: La Jolla, Calif. 72. Never married; extremely private. Second branch: Duncan: Wayzata, Minn. 63. Married, 4 children. In Cargill from 1953, director since 1966; vice chairman Waycrosse, Inc., family investment firm. Wrote 2 volumes family history. John Hugh: Hillsboro Beach, Fla. 64. Divorced, 9 children. Active in company, owns largest private barge/towing company lower Mississippi. Avid sports fisherman. Marion: Hamilton Beach, Bermuda. 59. Divorced; 1 daughter, another child deceased. Owns, manages large real estate holdings worldwide, many related to farming. Third branch: Whitney: Minneapolis. 64. Married, 2 children. Noted expert on East-West commercial relations, various U.S., international positions with company; CEO since 1977. Cargill: Palm Springs. 64. Divorced, remarried; 4 children. Senior VP Cargill 1973-88. Retired, still active in company affairs. Philanthropic interests, public TV, banks. Pauline: St. Louis. 58. Married, 4 children. Very quiet lifestyle, works with handicapped children. Not active in company.

David Geffen
Recording. Malibu, Beverly Hills. 49. Single. Brooklynite, eked way through high school, college dropout. CBS usher, receptionist at TV production company—fired for giving unsolicited advice on scripts. Landed in legendary William Morris mailroom; managed folk acts. Founded Asylum Records 1970: Eagles, Bob Dylan, Jackson Browne. Sold 1972 for "biggest number I could think of": $7 million. After cancer scare, started Geffen Records 1980: heavy-metal Whitesnake, Guns N' Roses; movies *(Risky Business)*, Broadway *(Cats)*. Sold to MCA early 1990 for stock. Matsushita bought MCA late 1990, became $710 million. Bulk now in "bonds, lots of bonds." How much now over $850 million depends on Beverly Hills real estate.

Edward Lewis Gaylord
Broadcasting, publishing. Oklahoma City. 73. Married, 4 children. Worked in shadow of father, E.K., who bought into Daily Oklahoman 1903, became state power broker. Added TV, radio, more newspapers. E.L. fi-

nally in charge when father died 1974, age 101. Continued growth. Hankering for country music led to (reported $270 million) purchase Grand Ole Opry, Opryland USA, Nashville (cable TV) Network 1983. Made over $100 million selling Telerate stock, exchanging for Dow Jones shares. Took Gaylord Entertainment public 1991. Still owns Daily Oklahoman privately. Small stake in Texas (baseball) Rangers. Conservative, strong opinions: "We're against liberal bubbleheads." Stock, etc., estimated $850 million.

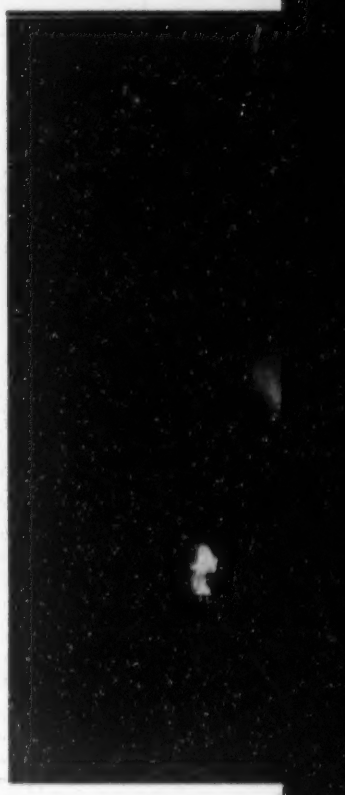
Alan C. Ashton
Bruce W. Bastian

Partners. WordPerfect Corp. Orem, Utah. Ashton: 50. Married, 11 children. Bastian: 44. Married, 4 children. Brigham Young U. computer professor Ashton first teamed up with grad student Bastian 1969, developed computer program diagramming BYU band formations in 3-D. In 1979 Bastian turned down numerous job offers to start WordPerfect with Ashton. Commercially available 1980. Avoided venture capital. In 1982 IBM PC version available.. Very popular: easy to use, new features not available from competitors. Ashton president; Bastian chairman. Now number one selling word processor in the U.S. for the IBM PC; expanding into international markets (34% of sales), 17 languages. Consolidated sales 1991, $634 million. Also market E-mail system, graphics, database, etc. All programs designed, manufactured in-house. Business philosophy from day one: no debt. Each owns 49.5% WordPerfect; with original product still strong, worth estimated $840 million each.

William Randolph Hearst Jr.
Randolph Apperson Hearst
George Randolph Hearst Jr.
Phoebe Hearst Cooke
Millicent V. Baoudjakdji
David Whitmore Hearst Jr.
and families

Inheritance. Children and grandchildren of William Randolph Hearst, whose father, George Hearst (prospector, land baron, U.S. senator), took failing San Francisco Examiner from gambling debtor 1880. Only child, Harvard-expelled "Billie Buster," took over 1887 after penning letter to Dad: "I have begun to have a strange fondness for our little newspaper. I am convinced I could run a newspaper successfully." Built nation's largest newspaper chain. Country's most controversial media baron: outsensationalized former employer Pulitzer *(see family)* in great NYC newspaper wars. Pushed Spanish-American War to increase circulation: "You'll furnish the pictures and I'll furnish the war." Model for *Citizen Kane;* built $30 million temple of excess, San Simeon, now owned by state of California. Died 1951; left control in foundation run by cronies. Heirs arranged buyout 1974 after long battle. Company now owned by descendants; under professional management. Hearst Corp. now estimated over $2 billion sales; 12 dailies, consumer magazines (Cosmopolitan, Esquire, Harper's Bazaar, etc.), trade magazines (Official Used Car Guide, etc.), TV, radio stations, cable TV, books, real estate, timberland. "The more diverse we are, the better off we're going to be." No buyer found for ailing LA Herald Examiner, closed 1989. Five family branches: 1) Surviving son William Jr.: NYC. 84. Twice divorced, widowed, 2 children. Editor-in-chief Hearst Newspapers since 1955; Pulitzer-winning columnist 1956. Heads family trust. Son William Randolph Hearst III was Examiner publisher. 2) Surviving son Randolph: NYC. 76. Twice divorced, remarried; 5 daughters (including Patty) by first wife. Hearst Corp. chairman. 3) Children of George Randolph Sr. (d. 1972): George Jr.: LA. 64. Widowed, divorced, remarried; 4 children. Ran Herald Examiner 1962-77, supervises real estate. Twin sister Phoebe: San Francisco. 65. Divorced, remarried; daughter. Played major role with current husband in family trust's 1974 buyback. 4) Children of David Whitmore Sr. (d. 1986): Son David Jr.: LA. 47. Single. His sister Millicent: LA. 52. Married, 3 children. 5) Four children of son John Hearst (d. 1958): John Jr., 58, only one active (company director). Each branch has one-fifth of Hearst empire, now estimated worth over $4 billion.

Stephen Bechtel Jr., chairman emeritus of Bechtel Group
Rebuilding Kuwait helped boost revenues 34% last year.



Marc Rich
Pincus Green

Trading partners. Zug, Switzerland. Rich: 57. Divorced, remarried; 3 daughters. Green: 57. Married, 4 children. Rich: Belgian-born; family fled Europe to U.S. 1941. Quit NYU for Phillip Brothers mailroom. Rose with Brooklyn-born "Pinky" to star trader; pioneered spot oil market 1968. Phibro reneged on bonus; Rich walked, launched Marc Rich & Co. with Pinky, other Phibro execs 1973. Traded Iranian crude during hostage crisis; shipped profits to Switzerland. Pair fled tax evasion charges, to Switzerland 1983. Paid $171 million federal fines so U.S. arm, Clarendon, could resume business 1984. Rich boasts Spanish citizenship, Pinky's a Bolivian; feds still consider them Americans; both still wanted. Rich also wanted by steelworkers union following bitter strike involving alleged subsidiary. U.S. Mint under fire: Clarendon supplied metal for coins. Zug-based company now world's second-largest commodity trader after Cargill *(which see)*. Domi-

nates aluminum market; refocusing on oil. Big move into desperate Russia leading to huge profits. Major personnel overhaul past 2 years: Pinky, after heart bypass, retired 1991, bought out. Other partners left; 3 new lieutenants replaced them, also left. Rich remains. Might need the paycheck: wife seeking $500 million in messy divorce. Green's current worth estimated $800 million. Rich said to now own 51% of company; also estimated $800 million. "There are maybe three people in the world who know Marc Rich intimately. All three people know different things."

James LeVoy Sorenson
Medical devices. 71. Salt Lake City. Married; 8 children, 39 grandchildren. Turned down medical school: being doctor "would have narrowed my scope tremendously." Maritime Service after Mormon mission work. Postwar, Upjohn salesman. Staked uranium claims, sold to penny-stock promoters; bought land for development. Shocked by unnecessary deaths, created new medical devices: eliminated dangerous air bubbles in blood supply, etc.; also disposable catheters: "Always trying to fulfill a market need somewhere." Sold out 1960, began new company: more devices. Sold to Abbott Labs 1980 for $100 million stock. Same shares now worth some $800 million.

Curtis LeRoy Carlson
Entrepreneur. Long Lake, Minn. 78. Married, 2 daughters. Son of Swedish immigrant grocer; subcontracted paper routes to brothers for small profit. U. of Minn. 1937; sold soap for Procter & Gamble, $110/month. With $50 loan started Gold Bond Trading Stamps 1938. "The minute I got out on my own, I knew I'd found my own element." From 1960s built one-man conglomerate: Radisson Hotels (many franchised), Country Kitchen/TGI Friday's restaurants, travel, motivational and promotional services. "Work 5 days a week, stay even with your competition; work Saturday and get ahead." Back from quadruple bypass heart surgery; daughter Marilyn, 53, heir apparent. On new data, revised estimate $800 million; he claims $1 billion.

Robert Henry Dedman Sr.
Country, city clubs. Dallas. 66. Married, 2 children. Grew up poor in Arkansas, moved to Texas in high school. Earned 3 degrees (economics, engineering, law) in 4 years, while selling insurance and real estate and serving as commissioned Navy officer. Opened first club—Brookhaven Country Club, Dallas—as sideline 1957. Proved profitable; found others would sell to him to get professional management; added more. Moved into city clubs 1965. Now private Club Corp. International over 300,000 members U.S., Europe, Asia. Estimated revenues near $1 billion. Son Bob Jr. president, heir apparent. Bob Sr. gives millions to health and education. His, family's 93% estimated $800 million.

★
Raymond J. Noorda
Novell, Inc. Provo, Utah. 68. Married, 3 children. Grew up Utah. U.S. Navy WWII. Landed computer engineering job GE, then several computer companies. As CEO of Boschert Inc., maker of power supply systems, did successful turnaround; sold 1981. Joined Novell; from $3.8 million revenues 1983 to $640 million 1991. Gave Bill Gates *(which see)* run for money: came out with Netware programs to help hook computers into networks; Microsoft followed, but too late. Now considered biggest in network operating systems worldwide; reported 60% market share. Mormon, drives pickup truck to work. Takes advantage of senior citizen discounts; his shares octupled since 1989, lately near $800 million.

Leonard Norman Stern
Pet supplies, real estate. NYC. 54. Divorced, remarried; 3 children. Father Max came from Germany with 2,100 canaries 1926. Leonard attended yeshiva, had M.B.A. by 21. Took over floundering Hartz Mountain 1959, added dog, cat supplies; built to industry leader. Took public 1972, private 1979. Paid $10 million for 750 acres around Secaucus, N.J. 1969. New Jersey developments now 30 million square feet, also NYC projects.

Paid $55 million for Village Voice 1985. Gave alma mater NYU $30 million 1988, business school named after him. "My kids will have less, but I'm doing something that pleases me." Falling real estate hurting kids more: visible worth now under $1 billion. Making do on estimated $800 million.

Donald John Tyson
Barbara Tyson

Brother, sister-in-law. Tyson Foods. Don: Springdale, Ark. 62. Married, 3 children. Barbara: Fayetteville, Ark. 43. Widowed. Don's father founded now-largest chicken processor during Depression. Killed in car-train wreck 1967; Don took over; also half brother Randal. Acquisitions sparked growth next 25 years; built only 2 of 47 plants. Largest: 1989 takeover Holly Farms, $1.5 billion. Sales over $3.9 billion 1991. "It takes the next three guys to be as big as we are." Randal accidentally choked to death 1986, leaving Barbara his shares. All executives wear company uniform: khaki pants, shirts with first names stitched over pocket. "If we all wore suits, we'd sit here in the office." Don fishes for blue marlin; Willie Nelson fan. "My family has always been farmers. That's all we know." His Tyson shares recently worth $790 million; Barbara's, $600 million.

George Soros

Money manager. London, NYC, Southampton, N.Y. 62. Divorced, remarried; 5 children. Hungarian born, hid from Nazis in family's attic. Paris after war; London School of Economics; Wall Street 1956 as analyst, currency trader. Started Curaçao-based Quantum Fund 1969: non-U.S. investors only. Quantum now over $2.5 billion; net assets/share up over 53% 1991. Wrote books on investing, politics. Remembers origins: funded Budapest business school, first in Eastern Europe; also foundations. Set up Hungary Fund 1989 but quit 1991 to avoid conflict of interest; adding new funds. Soros makes overall strategic decisions; travels frequently to do research firsthand. Pays off: his interests in funds worth around $785 million.

Carl Ray Poblad

Banking, investments. Minneapolis. 77. Married, 3 sons. Grew up Iowa; father worked on railroad, mother took in laundry. Football scholarship Gonzaga U., dropped out to start car agency. Decorated WWII. Took over Minn. bank holding company after brother-in-law CEO died. Eventually acquired several northern Midwest banks. Took over bus company MFI; restructured as Pepsi bottler early 1970s, diversified in candy, snack food distribution. Sold bottling interest 1986, food 1990. Recently sold stake Minn. (football) Vikings; still owner (baseball) Twins, 1991 Series champs. Often partner with locals Irwin Jacobs, Curt Carlson *(which see)*. Cofounder Minn. Boys and Girls club. Estimated $765 million.

Andrew Jerrold Perenchio

TV, films. Bel Air, Calif. 61. Twice divorced, 3 children. Son of Fresno vintner. UCLA. Joined MCA 1958; founded talent agency 1963; landed Liz Taylor, Marlon Brando, etc.; also LA pay TV. Joined Norman Lear 1974 to create *All in the Family*, etc.; Embassy Pictures. All sold 1985 to Coca-Cola for cash, stock. Bought Loews theaters for $160 million, sold 1986 for reported $300 million. With Charles Dolan, Robert Bass *(see both)*, failed bid for Time Inc. 1989. Paid $13.6 million for Kirkeby estate, "home" of Beverly Hillbillies. With Mexican billionaire Azcarraga, Venezuela's billionaire Cisneros brothers, buying Hallmark's U.S. Spanish TV network *(see Donald Hall)*. If Coke stock still held, around $765 million.

Doris Duke

Inheritance. Somerville, N.J.; Newport, R.I.; Honolulu et al. 79. Twice divorced, adopted daughter. Only child of James (Buck) Duke, tobacco farmer who joined with rivals to form giant American Tobacco Co.; also Duke Power. Died 1925, left 13-year-old "Duchess" the "richest girl in the world." Dogged by reporters through unsuccessful romances. Became notorious recluse. Built $30 million Honolulu estate ("Shangri-la"), also New Jersey estate. Enormous art collection. Plays jazz piano, works for historical preservation, animal rights. Posted $5 million bail for friend Imelda Marcos 1988. Adopted daughter Chandi Heffner reportedly disinherited, over romance, from fortune estimated $750 million or more.

Fred A. Lennon

Valves, pipe fittings. 86. Chagrin Falls, Ohio. Married, 2 children. Started with customer service at IBM, then salesman for office machine company, Weldon Tool, both Cleveland. Met Cullen Crawford, designer innovative high-pressure pipe fitting (Swagelok); partners started Crawford Fitting Co. 1947. Crawford made, Lennon sold. Bought out Crawford "for next to nothing." Expanded mid-1950s and beyond. Dominates domestic market; even stronger abroad. Premium product, premium price: "An absolute cash cow." Also said to own 40% of his distributors, but never takes dividends: "a control freak." Very secretive. Crawford Fitting today worth over $750 million, perhaps far over.

William Clay Ford
Josephine Ford

Brother and sister. Only surviving grandchildren of Ford Motor Co. founder Henry Ford (d. 1947). Brother Henry Ford II (d. 1987) left Yale to become Ford Motor director; never graduated. Took military leave, joined Navy as ensign 1941; called back upon father Edsel's death 1943. Replaced grandfather as president 1945. Turned company around. Chairman until 1980; revenues $894.5 million in 1946; $43.5 billion in 1979. Son Edsel II president Ford Motor Credit last spring. Ford family controls 40% of voting power. William: 67. Grosse Pointe Shores, Mich. Married to Martha Firestone, 4 children. Owns Detroit (football) Lions, worth about $110 million; with Ford B stock, net worth estimated $750 million. Son William Jr. recently promoted to general manager of Ford's climate control division. Josephine (Dodie): 69. Grosse Pointe Farms, Mich. Married, 4 children. Substantial art collection and Ford stock;

estimated $425 million. Total Ford family fortune estimated about $1.5 billion or more.

Betsey Cushing Roosevelt Whitney
Inheritance. Manhasset, N.Y. 84. Divorced, widowed; 2 children by first husband (James Roosevelt, eldest son of FDR). Daughter of famed brain surgeon Harvey Cushing; FDR's favorite daughter-in-law, White House hostess 1930s. Divorced 1940; married John Hay (Jock) Whitney 1942, heir to huge 19th-century fortune. Jock (d. 1982) built on fortune—venture capital, newspapers, at least 7% Dun & Bradstreet. Betsey inherited almost all, including stunning impressionist collection (one piece, Renoir's "Bal au Moulin de la Galette," sold for $78 million). Whitney Communications sold its stake in Intl. Herald Tribune several years ago. Lives on 500-acre Long Island estate. Net worth estimated $750 million.

Richard Mellon Scaife
Inheritance, publishing. Pittsburgh. 60. Divorced, remarried; 2 children. Grandson of Richard Beatty Mellon *(see other Mellons, Curriers)*, third Mellon to run Mellon Bank. "Dicky" inherited over $200 million from Mellon mother 1965. Rarely uses middle name, felt his mom mistreated by uncle R.K. Mellon. Through Scaife Newspapers, runs smallish papers reflecting conservative views. Sold Sacramento Union 1989. Dislikes publicity. Heavy backer conservative causes. Overcame drinking problem. Penny-pincher, checks employees' minor expenses. Estranged from sister Cordelia Scaife *(which see)*. Allegedly lost "virtually nothing" in 1991 divorce settlement. Net worth estimated $750 million.

Dorrance Hill Hamilton
Hope Hill van Beuren
Charlotte Colket Weber
Diana Strawbridge Norris
Campbell Soup. Four of 9 grandchildren of John Dorrance Sr., whose canned soup became part of the "American way of life." Left third-largest estate in U.S. 1930, over 50% went to John Jr. *(see John T. Dorrance III)*; one-eighth to each of 4 daughters, all deceased; their children, grandchildren inherited. After John Jr. (Jack) died 1989, family divided on whether to sell Campbell. Diana backed off, leaving Dorrance and Hope as only sale advocates. Dorrance (Dodo): Wayne, Pa; Newport, R.I. 64. Married; 3 children, 7 grandchildren. Oldest of 9 cousins, only one born in John Sr.'s lifetime. Favored selling her 6.7% for her children's sake: "I had to look after my family and not the family as a whole." Her stock, other assets recently estimated over $725 million. Her sister Hope (Happy): NYC, Newport, R.I. 58. Married, 3 children. Husband John investor. Son Archbold business director condensed soup at Campbell; only family member employed at Campbell. Stock, other assets estimated $650 million. Their cousin Diana *(see brother George Strawbridge)*: Palm Beach, Fla. 53. Divorced; 2 sons, 1 daughter. Involved in bitter second divorce. Horse farm "Runnymede" Coatesville, Pa., ski chalet Vail. Her stock, other assets estimated $340 million. Brother always opposed Campbell sale. Charlotte neutral on sale issue *(see brother Tristram Colket)*. Charlotte: Ocala, Fla., NYC. 49. Married, 4 children. Campbell director. Studied at Sorbonne; donated $20 million Chinese art to Metropolitan Museum; rest of collection easily worth over $100 million. Her total worth estimated $650 million.

Virginia Governor Douglas Wilder and Jack Kent Cooke
Cooke's plan to build a new football stadium in Alexandria for his Washington Redskins has drawn fire from all sides. Virginia critics felt the state conceded too much to attract him; District of Columbia critics lambasted Cooke for taking the team across the Potomac. Cooke waxes philosophical: "Whatever way it goes, that's what we'll do."

John Jeffry Louis
Inheritance. Winnetka, Ill. 67. Married, 3 children. First cousin to Samuel Johnson of Johnson Wax *(which see)*. Worked in dad's advertising agency, then in international marketing for Johnson Wax. Chairman of Combined Communications 1968; stepped down 1981 after merger with Gannett. Other investments, business activities: director S.C. Johnson & Son, Baxter International, Ralston Purina, Gannett. Strong Republican supporter, ambassador to Britain for Reagan; resigned 1983 reportedly under pressure. Golfer, philanthropist. With family 30% S.C. Johnson & Son interest, other holdings estimated $725 million.

Ewing Marion Kauffman
Pharmaceuticals. Mission Hills, Kans. 76. Married, 3 children. Missouri farm boy; pharmaceutical salesman late 1940s, commissions soon ex-

ceeded president's salary. Developed calcium pill from oyster shells, launched Marion Laboratories 1950. Aggressively marketed other firms' discoveries. Merger with Dow Chemical 1989, now Marion Merrell Dow. Owns K.C. (baseball) Royals, but sold most Marion stock 1992 to diversify portfolio. Foundation committed 1988 to fund high school class' college education if students avoid drugs, alcohol, pregnancy. Class dropout rate cut in half. One graduate: "I don't think I would have been as college-bound without the program." Estimated at $725 million.

Roger Milliken
Gerrish Milliken
Anne Franchetti
Minot Milliken
and families

Siblings and cousin Minot. Textiles, investments. Heirs of Seth Milliken, cofounder dry goods jobber Deering, Milliken & Co. 1865. With William Deering (later left to start what became International Harvester) Milliken built company debt free, liquid. Bought less liquid supplier mills in Depression bankruptcies. Grandson Roger: Spartanburg, S.C. Yale. 76. Married, 5 children. Currently heads Milliken & Co., largest privately held U.S. textile firm; sales estimated over $2.5 billion. Stresses R&D; cutting-edge technology in plants maintains good margins. "A man must fit into the age in which he lives." Benevolent dictator, keeps company details close to vest. Leading "America First" anti-import activist. Gerrish: Greenwich, Conn. 75. Married; 4 sons, 2 daughters. Started in family cotton mill in Union, S.C. after Army. Retired 1986, maintains NYC office. Director Milliken & Co. and Mercantile Stores Co., both controlled by family. Minot: NYC. 76. Married: 4 sons, 1 daughter. VP, director Milliken & Co.; on board Mercantile Stores. Anne: 70s. Very private. Seal Cove, Me. Has carried guns against possible terrorist attack. Heirs of other Milliken sibling, the late Jane Stroud, sold some 500 shares of Milliken & Co. to competitor Delta Woodside Industries 1989: sought to force financial info out of Roger. Small amount of company stock to heirs of late Francis Kingsley, one of Roger's pals. Estimated fortunes with families: Roger, $725 million; Gerrish, $410 million; Anne, $410 million; Minot, $410 million; Strouds, $410 million.

Condé Nast chief S.I. Newhouse and Tina Brown, new New Yorker editor

S.I. Newhouse and brother Donald bought the New Yorker in 1985 for $175 million, but its slide has since continued anyway—it was recently valued at only $35 million.

James Martin Moran

Toyotas. Hillsboro Beach, Fla. 74. Widowed, remarried; 3 children, 2 in business. Pumped gas full time for 25 cents/hour, age 14. Saved, bought own gas station, used-car dealership, then Hudson franchise. Switched to Ford. Became own early-TV spokesman—"the Courtesy Man," local Chicago idol outdrawing Ed Sullivan. Cancer diagnosis 1966, went to Florida. Remission. Acquired Toyota distributorship 1968. Built to world's largest independent: some 150,000 cars/year, despite tax-evasion conviction 1984. Recent trouble: dozen-plus lawsuits by former employees, dealers, claiming strong-arm tactics, racketeering. Legal fees said to be $1 million a month. Net worth believed at least $700 million; some think over $1 billion.

Ralph Lauren

Apparel. NYC. 53. Married, 3 children. Born in Bronx, son of Russian immigrant. High school ambition: "millionaire." Some college; clerked at Alexander's, Brooks Brothers. As fashion designer, sparked wide-necktie fad late 1960s. With $50,000 started Polo Inc. 1967: "I couldn't call it basketball." Near bankruptcy 1972. Rescued by preppy boom: "I was always very preppy." Caught on: big profits licensing Polo name. Opened more than 145 Polo/Ralph Lauren stores; retailers selling his brands not happy. But room for all: today $3.4 billion in Polo sales, mostly licensed goods. With 90% Polo, etc., believed worth $700 million. Personal dress style: "Somehow I have gotten more seedy as time's gone on."

John Murdoch Harbert III

Construction, investments. Birmingham, Ala. 71. Married, 3 children. Won $6,000 in crap game on boat home from WWII; bought concrete mixer. Out of cash 3 times in construction: "Our statements were not worth the paper they were typed on." Got local bridge contract; became solvent. Entered Third World high-risk ventures: pipeline in South America, water supply in Abu Dhabi, etc. Snapped up Ky., Tenn. coal reserves late 1960s, early 1970s. Pioneered mountaintop-removal method of strip mining. Sold to Amoco for stock during energy crisis. Today construction management, land development, gas pipeline. His 10 million Amoco shares, other assets, recently estimated $700 million.

William Michael Cafaro
and family

Shopping malls. Hubbard, Ohio. 79. Married, 3 children. Immigrants' son, built first strip center late 1940s with brother John (d. 1987). Part of development movement that validated suburban sprawl by constantly building shopping centers, later enclosed malls across U.S. Strong association with anchors like Montgomery Ward, Sears. Today ranked among the 10 largest developers in nation, concentrates on middle market; rarely sells property, uses little debt. Eldest son Anthony, president; other son J.J. (known for failing car company) also active in family business; daughter Flora, VP. "I never backed away from

a project. That's been the forte of this company." Bill, family trusts worth some $700 million.

Frederick W. (Ted) Field
Marshall Field V

Half brothers. Inheritance, media. Original Marshall Field started as Chicago store clerk 1856; saved money, eventually built Marshall Field & Co. into world's largest department store ("Give the lady what she wants"). Grandson Marshall III sold some of store's stock 1941; started Chicago Sun, added Times 1947. Field Enterprises inherited by Marshall IV; died 1965, age 49. Harvard-fresh Marshall V took control newspapers, later TV, cable. Conflict with incompatible half brother Ted ended in liquidation. Marshall: Lake Forest, Ill. 51. Divorced, remarried; 4 children. Bought Ted's share of real estate firm Cabot, Cabot & Forbes, also owned Muzak, Funk & Wagnalls and other media. Tired of business: began selloff 1989. Cabot hurt by real estate crash; much sold off; now negligible worth. Marshall totally liquid; passive investor. Ted: Beverly Hills. 40. Divorced twice, remarried; 5 daughters. Raised Chicago and Alaska by mother (once editor Christian Science Monitor). Briefly race car driver and owner. Now makes movies via Interscope (*Bill and Ted's Excellent Adventure*, e.g.): capital from Disney, Nomura. PolyGram bought 51% for $35 million. Also 2-year-old Interscope record label (Gerardo, Marky Mark). Ardent Democrat. Marshall down to around $300 million; Ted estimated $700 million.

George Lindemann

Cable TV, cellular phones. Greenwich, Conn. 56. Married, 3 children. Grew up NYC. Wharton. First, family cosmetics business. Later ran pharmaceutical house for eye, ear, nose and throat products; developed first permanent-wear soft contact lens. Sold out to Cooper Labs 1971 for $60 million. Went into cable TV. "I was looking for something new to do." Sold to Newhouses (*which see*) 1982; $220 million: "no challenge left in it." Founded Metro Mobile, cellular operator; sold for Bell Atlantic stock 1991. Now chairman natural gas distributor Southern Union Co. "I've never been in a business where anybody understood what I was doing, and by the time they understood it I think I had left." Recently worth $685 million.

Gordon Earle Moore

Intel. Santa Clara County, Calif. 63. Married, 2 children. U.C. Berkeley; Caltech Ph.D. Joined William Shockley, coinventor of transistor, 1956. One of 8 founders Fairchild Semiconductor, produced first commercial integrated circuit 1959. Founded Intel 1968 with Robert Noyce, $1.3 million venture capital; invented microprocessor 1971. "We were looking for other examples of complex products we could make in large volume." IBM supplier; world's leading manufacturer microprocessors and integrated circuits. In 1965 predicted power of chips would double every year; takes 18 months; now known as Moore's Law. Main luxury: his fishing boat; fishes all over world. Takes 3-month sabbaticals every 7 years. His Intel stock recently $680 million.

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Max Martin Fisher and daughter Mary, speaking at the Republican National Convention in Houston

Fisher has been a confidant to several Presidents. This year Mary learned she and her children were infected with the AIDS virus (her husband had a drug problem). Wearing a red ribbon and with support from the Bushes, she came to the podium: "We have killed each other with our ignorance, our prejudice and our silence."

Shelby Cullom Davis

Investment banking. Tarrytown, N.Y. 83. Married, 2 children. Princeton 1930; Columbia 1931; Ph.D. political science, U. of Geneva 1934. CBS' Swiss correspondent before WWII; New York deputy superintendent of insurance 1945: "I got to know who were the bluffers and who were really professionals." With $100,000, founded Shelby Cullom Davis & Co. 1947, early specialist insurance stocks; still chairman of company: "I'm an equity man. Stocks ride through inflation a lot better than bonds." Devout Republican, ambassador to Switzerland 1969-75. Chairman emeritus Heritage Foundation (too much traveling to remain chairman). Firm, etc., worth some $680 million.

★

Bernard Marcus
Arthur Blank

Partners, Home Depot. Marcus: Atlanta. 63. Married, 3 children. Newark, N.J. native, Rutgers pharmacy degree. Tried retailing instead: eventually president and chairman Handy Dan Home Improvement Centers, 1972. Blank: Atlanta. 50. Married, 3 children. Grew up in NYC's Queens, Babson College business degree; rose to VP finance at Handy Dan. They began experimenting with discounting. Fired by turnaround artist Sanford Sigoloff 1978. With another fired Handy Dan executive, developed idea of Home Depot: focus on do-it-yourselfers, offer hangar-size stores, customer service, huge selection, cut-rate prices, low overhead. Success. Huge growth: 1 store in 1979, 4 in 1980; more than 194 today. Still only in Sunbelt and Northeast—more room to grow. "Our competition is going to have to do a lot to keep up with us. We are far from being 100% of what we want. And we're going to get nastier, tougher." Marcus, chairman, CEO, largest shareholder, holds stock recently worth $675 million. Blank, president, COO, holds shares worth $500 million.

Carl Celian Icahn

Finance. Bedford, N.Y. 56. Married, 2 children. Grew up middle class in NYC's Queens; mother taught school, lawyer father (frustrated opera singer) read Schopenhauer to Carl. Princeton scholarship, studied philosophy, med school dropout. After Army, finally found Wall St.; had to sell convertible after 1962 market crash. Borrowed $400,000 for NYSE seat 1968; bought into firms that had to improve, buy Carl out or spin off. "I'm not Robin Hood." Bought ACF 1984, TWA 1988, took runs at USX, Texaco. Major Texaco profit 1989. Sold USX 1991 for $1.02 billion. But TWA in bankruptcy early 1992, Carl may be liable for underfunded pension fund. Big junk bond holdings. Still estimated $650 million, pre-pension fund.

Bob John Magness

Cable TV. Englewood, Colo. 68. Widowed, remarried; 2 sons. Born Clinton, Okla. Southwestern State College 1949. Worked as rancher, cottonseed seller. Served with Patton's Third Army WWII. Started his first cable system in west Texas 1955. Installed small systems; sold when depreciated; bought franchises in larger towns. Became Tele-Communications; recognized own managerial limitations; found John C. Malone for CEO; now largest U.S. cable TV company by far. Complex, controversial dealings assured continued control; denies allegations of wrongdoing. TCI led rescue of Ted Turner *(which see)* 1987. Raises cattle and horses; collects western art. His shares recently worth $640 million.

Phillip Frost

Medicine. Miami Beach. 55. Married. U. of Pennsylvania, Albert Einstein College of Medicine. Dermatologist, invented disposable instrument for taking biopsies 1969. Took over struggling Key Pharmaceuticals 1971, developed new delivery systems for old drugs to hospitals. Sold to Schering-Plough 1986 for stock. Founded IVAX, now highflier, to develop, market drugs. First acquired small companies, rights to salable drugs to generate immediate revenues, fund further growth; "We're opportunistic." Many small investments, loves to deal: "He doesn't do it for the money. It's ego. It's the chase and success. Simply put, it turns him on." Active civic, philanthropic organizations. Worth estimated $630 million.

Helen Kinney Copley
Publishing. La Jolla, Calif. 69. Divorced, widowed; 1 son. Served in the Waves WWII; trained at Hunter College. Answered postwar ad, became secretary to James S. Copley (adopted son of newspaper magnate Col. Ira Copley) 1953. From secretary to confidante: "I'll never know what he saw in me; I was so pathetically shy." Married 1965; gracious hostess until James' death 1973. Quickly installed herself as publisher, sold unprofitable papers, slashed payroll. Expanded to 10 dailies (flagship San Diego Union/Tribune), 43 weeklies, stakes in 3 cable franchise systems. Son David, 40, probable successor. James' 2 children from first marriage are trust beneficiaries. Copley Press worth at least $620 million.

Jane Bancroft Cook and family
Inheritance. Cohasset, Mass.; Sarasota, Fla. 80. Thrice widowed, once divorced; 3 daughters. Grandchild of Clarence Barron (d. 1928), Boston tycoon who bought Wall Street Journal and Dow Jones news ticker 1902 from Charles Dow; started Barron's 1921 on suggestion by Hugh Bancroft, husband of adopted daughter Jane. Their child Jane Barron's only living grandchild: once avid sailor, acted opposite Humphrey Bogart in summer stock. Major donor education, hospitals. "Zealous guardian of the journalistic independence of the Journal." Dow Jones director 1950-85. Described by acquaintances as shy, reserved. Her branch's portion of Dow Jones stock recently $610 million *(see also Bancroft family)*.

Fayez Shalaby Sarofim
Money management. Houston. 63. Divorced, remarried; 5 children. Egyptian-born son of wealthy landowner. Harvard Business grad, naturalized 1961. Joined Anderson Clayton 1951 managing pension funds. Fascinated with stock market, launched own company 1958 with $100,000 from father. "The Sphinx" had early coup: landed Rice U. endowment. Early investor Teledyne, Intel. Now manages about $27.5 billion. Recently also managing Dreyfus Appreciation Fund. Hasn't changed investment strategy: very conservative, always long term. Bullish: thinks DJIA can hit 10,000 by 1995; favors consumer products franchises: P&G, Coca-Cola, Philip Morris. Believed worth over $600 million.

Dennis Washington
Mining, railroads, etc. Missoula, Mont.; Sun Valley, Idaho. 58. Married, 2 sons. Heavy crane operator in Alaska, Montana (loved big machines). Got $30,000 loan (and married) age 30. Built Montana's largest contractor. Noticed assets of unaggressive big companies. Bought closed Anaconda copper mine for $20 million 1985; then copper prices surged. Used nonunion labor, profit-sharing; low-cost producer. Sold half 1989 for $125 million. Bought rail line from Burlington Northern 1987, now Montana Rail Link; pretax profits estimated over $33 million. Ranches, horses, yachts, airplane. Took contracting group public this year, after $50 million dividend. Net worth believed over $600 million.

Erskine Bronson Ingram
Distribution, river barges. Nashville. 60. Married, 4 children. After father's death 1963, took over oil refining, marketing and barge company with brother Fritz; also Weyerhaeuser inheritance. Entered book distribution at urging of family friend 1964; found new business métier. Firm split 1978 after Chairman Fritz convicted for bribery (sentence commuted by President Carter 1981); Bronson acquitted. Steadily added barge, coal, oil, wellhead and valve equipment, insurance; Ingram Industries now over $3.4 billion revenues (80% from distribution books, videos, microcomputer products). "We always had more things to do with our money than we have money to do them with." Estimated over $600 million.

Leon Hess
Amerada Hess Corp. NYC and Deal, N.J. 78. Married, 3 children. Father came to U.S. from Lithuania 1904; started small fuel delivery firm. Went broke 1933; Leon reorganized business at age 19. Made sales calls by day and deliveries at night. Fateful sale of residual oil to N.J. hotel launched new business: supplying residual oil for industry. Rebuilt trucks with heaters to deliver fuel oil in liquid form; bought resid for pennies, sold for near full price per Btu of coal. Went public 1962 through merger. Hess Oil acquired Amerada 1969; currently expanding U.S. natural gas production, refining capacity in Virgin Islands. Hess also sole owner N.Y. (football) Jets; you can't win them all. Stock recently worth $600 million.

Cordelia Scaife May
Inheritance. Ligonier, Pa. 64. Divorced, widowed; no children. Great-granddaughter of Judge Thomas Mellon *(see various Mellons, Curriers, Scaife)*. Brief marriage 1950. Wed 1973 to longtime friend Robert Duggan, Pittsburgh D.A.; he died of gunshot wound during corruption investigation 1974. Brother Richard Mellon Scaife *(which see)* has not spoken to her since. Endowed Laurel Foundation to support population control, liberal causes. Maintained family tradition (Mellon fortune built on 19th-century venture capital) in small way, funding emerging companies through Roldiva Inc., named after favorite steeplechaser. Lives modestly, privately. Net worth (mostly in trusts) estimated about $600 million.

Donald George Fisher
Doris F. Fisher
and family
The Gap, Inc. San Francisco. Husband and wife, 3 sons. Doris, 61. Don: 64 (U. of California 1950) started out as a real estate developer in California. Unable to exchange pair of Levis that didn't fit; saw idea. Opened first Gap store San Francisco 1969; name alludes to 1960s "generation gap." New concept in retailing: jeans-only store; stock displayed by size. Went public 1976. In 1983 Fisher brought in Millard S. Drexler from AnnTaylor to restructure; acquired safari-style clothing store, Banana Republic, same year. Started GapKids 1986 same way original Gap

A Connecticut shop owner welcomes self-styled hotel queen Leona Helmsley to town
She was transferred to the Federal Prison Camp, Danbury in May 1992. Above, Leona reacts to her tax-fraud conviction; husband Harry Helmsley was ruled too ill to stand trial. One of her lawyers, Alan M. Dershowitz, later said she was willing to give up her New York hotel properties to house the homeless in exchange for escaping her four-year prison term.

began: Drexler couldn't find comfortable clothing for his kids. Now 251 GapKids stores. Since 1987, Gap also international. Added BabyGap departments 1989. Plans for Gap Shoes stores this fall. Most radical step of all: phased out Levi's jeans December 1991. Today Gap sells only clothes under own label. Sons: Robert: 38. Married, 2 children. Gap executive VP. William: 35. Married, 2 children. Executive VP, international division. John: 32. Married, 2 children. All Stanford M.B.A.s. Don and Doris' shares recently worth estimated $600 million each.

Paul Fireman
Reebok International Ltd. Newton, Mass. 48. Married, 3 children. Spotted British running shoes at trade show 1979; got Reebok U.S. rights. Sales $1.5 million 1981. In 1982 introduced first aerobics shoe, first athletic shoe for women. Bought out British 1984. Took public 1985; sales topped Nike *(see P. Knight)* 1986. Sales $1.4 billion 1987. Later, the Pump. Race still on: today, back to number two. Looking past sneakers: moved into apparel, accessories. Sponsored Amnesty International Human Rights Now! 1988 tour. "To the extent your brand makes a difference and stands for something special, people will recognize and reward you for it." Fireman's reward: $80 million cash out 1987, stock; recent total $600 million.

Nelson Peltz
Peter May
LBOs. Peltz: Palm Beach, Fla. 50. Divorced, remarried; 6 children. May: NYC; Bridgewater, Conn.; Palm Beach. 49. Married, 2 children. Peltz: Wharton dropout, built up family food distribution business, sold 1978 for $8 million profit. May: U. of Chicago M.B.A. Started with Peat Marwick as CPA 1965, joined Peltz 1972. Through friend Saul Steinberg met Michael Milken *(see both)* 1979, built empire on junk debt: bought control Triangle Industries 1983, National Can 1985 (Victor Posner bailout; he dropped off list 1991), American Can Packaging and Uniroyal chemical operation 1986. Internal expansion, bolstered rather than stripped firms; total sales about $6 billion. May: "We complement each other very well." Sold Triangle 1988 to Pechiney S.A. (France) for notes bearing interest, bought back non-packaging entities, large real estate assets like Hollywood Inc. in Fla. Took over $100 million (pretax) bath on Britain's Montleigh Group Plc. Triangle money still the bread and butter, but both are looking for safer U.S. investments, have added companies to their Triangle Wire & Cable. Recently bought into DWG Corp. If no other losses like Montleigh, Peltz estimated $600 million; May, $300 million.

Frank Batten Sr.
Media. Virginia Beach, Va. 65. Married, 3 children. Nephew of Samuel Slover, arrived Va. 1900, built up what is now Virginian-Pilot/Ledger-Star. Samuel raised nephew Frank: Harvard M.B.A.; publisher 1954. Inherited. Aggressively built Landmark Communications from 1 paper (still flagship). First cable franchise 1964 (over 625,000 subscribers now), Weather Channel, Travel Channel, TV stations; also 7 dailies, 31 weekly shoppers, 4 triweeklies, etc. (total circ. over 550,000). Son Frank Jr. heir apparent, working on newspaper side. Frank Sr.'s 35% stake in Landmark now estimated at $600 million, depending on leverage. "I thought you guys would stop publishing that list."

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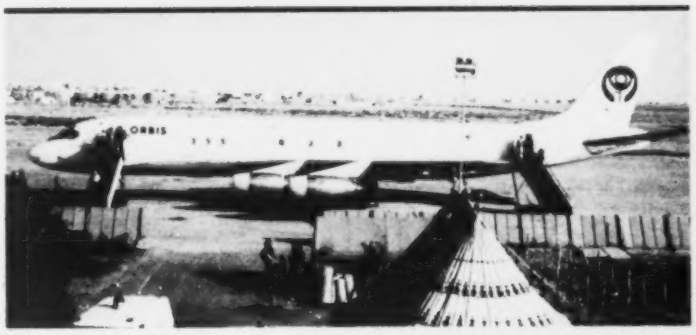
S. Daniel Abraham
Slim-Fast Foods. West Palm Beach, Fla., NYC. 68. Divorced, 4 daughters. Grew up N.Y.; father was pharmacist, dentist. Skipped college; Army WWII. Worked at uncle's small drug firm 1945. Bought itch-relieving ointment company with saved-up $5,000. Hitchhiked town to town peddling itch powder. Later copied, modified other pharmacy products. Life begins at 52: break came 1976 with one-a-day diet pill Dexatrim; sales went through roof. Biggest hit 1977: meal-replacement powder Slim-Fast; Wal-Mart alone sells $100 million a year. Went public 1979 (Thompson Medical), private 1987. Owns 95%. Adding snacks, frozen food; big marketing campaigns. Success better late than never, some $600 million or more better.

John D. Hollingsworth
Textile machinery, real estate. Greenville, S.C. 74. Divorced, 1 daughter. From 1942 John and wife Ella (d. 1984) promised service truck within 48 hours of textile mill call, built up John D. Hollingsworth on Wheels. Raised mill productivity tenfold with better yarn-making wire, carding machines; ruthlessly protected virtual monopoly on wire but now down to estimated 70% market share. Added related machinery from mid-1970s. Invested profits in well-situated Greenville land. Severe family, IRS problems 1960s. Extremely secretive. Once diagnosed paranoid schizophrenic. Bizarre behavior; carried huge bundles of cash in a leopard-skin bag. Has never seen 4 of 5 grandchildren. Estimated net worth $600 million.

Richard Alan Smith
General Cinema Corp. Chestnut Hill, Mass. 67. Married, 3 children. Father pioneered drive-in theaters Boston area 1922; built chain. Richard (Harvard '46) joined business, took over when father died 1961. Bought small soft drink bottling companies; sold to PepsiCo 1989 for $1.77 billion. Mid-1980s bought 49% Carter Hawley Hale as white knight, swapped for 60% of spinoff Neiman-Marcus 1987. "We've always been driven by the search for value, not the need to build an empire." Acquired Harcourt Brace Jovanovich for $1.5 billion 1991. Active United Cerebral Palsy Foundation, Dana Farber Cancer Institute. LL.D. Boston College 1988. His shares, etc. recently $575 million.

Lawrence Joseph Ellison
Oracle Corp. Atherton, Calif. 48. Divorced, 2 children. Worked at Amdahl Corp.; helped develop first IBM-compatible mainframe. Went to Ampex; helped adapt video technology for computer mass storage. Began Oracle 1977 in small office Santa Clara, Calif. with Robert Miner. Developed database products from paper published by IBM; beat IBM to market. Describes self as "focused on the technical side of the business." Stock collapsed 1990 on overstated sales, earnings. Ellison has since replaced many employees; says Oracle now emphasizing quality over revenue growth. Adding new sales channels. Interested in environmentalism. His Oracle stock recently worth approximately $575 million.



Al Ueltschi, FlightSafety International's founder and chairman
The nation's top independent trainer of pilots is chairman of ORBIS International, seen here in Texas—a unique flying eye hospital outfitted in a DC-10. Some American doctors volunteer to staff the aircraft as a world-traveling teaching hospital.

Charles Cassius Gates Jr. and family
Gates Corp. Denver. 71. Married, 2 children. Charles Sr. owned tire cover business 1911. Charles Sr.'s brother invented V-belt 1917; company became leading producer. Dad delivered Charles Jr. in back of family car en route to hospital. After inheriting 1961 with 4 sisters, Stanford-educated engineer opted to diversify; slashed tire divisions. "We have to broaden our base." Good gain buying unprofitable Learjet Inc. 1967, turning around, selling 1987. Rubber still big majority of $1.3 billion sales. Big windfall: invested dirt-cheap in Denver's Hamilton Oil; merger last year gave him Broken Hill (Australia) stock worth over $100 million. Also owns 150,000-acre ranch on Colorado-Wyoming border. Net worth estimated $560 million.

Harry Wayne Huizenga
Blockbuster Entertainment, Waste Management. Fort Lauderdale. 54. Married, 4 children. College dropout; joined friend's trash-hauling business. Bought "beat-up old truck"; formed Waste Management, age 31; built largest U.S. waste disposal company. Quit 1984, bored. Bought 35% small Dallas video store chain. Saw success in big stores, wide inventory, national chain. Blockbuster Entertainment now leader—2,888 stores and counting. Part owner Miami (football) Dolphins, Joe Robbie Stadium; 90% expansion Florida (baseball) Marlins. Also small businesses; Fla. real estate. 70-hour workweek; "We work too hard to have fun." Expects same from employees. Worth estimated $560 million.

William Alfred Cook
Medical supplies. Bloomington, Ind. 61. Married, 1 son. Illinois childhood, drove cab, Northwestern grad 1953. Worked 5 years in Chicago as hospital supply salesman. Left to form own hypodermic needle company. Hated big city; sold company, packed

family into Corvair, moved to Bloomington 1963. With $1,500 bought soldering iron, blowtorch, plastic tubing, made then-new cardiovascular catheters. Today Cook Group one of largest-volume U.S. catheter producers; also pacemakers, syringes, urological supplies. Also insurance business, much Bloomington real estate. Says he won't sell; of any potential buyer: "I don't have time to run their company and mine, too." Net worth estimated over $550 million.

William Gordon Bennett
William Norman Pennington

Circus Circus. Partners. Bennett: Las Vegas. 67. Married, 2 children. Pennington: Reno. 69. Widowed, remarried; 2 children. As Del Webb representative, Bennett bought gaming equipment from Pennington. Paired up in 1971 to distribute slot machines. Saw opportunity; bought Circus Circus 1974, targeted middle-class families—inexpensive rooms and meals, live circus acts, slots. Low-cost strategy: no "comps." Big margins. Operate 7 casinos, including Excalibur, world's largest hotel (4,032 rooms), maintaining near 100% occupancy. Bennett deferred 1991 retirement to oversee building $300 million Luxor: 30-story Egyptian-motif pyramid casino on Vegas Strip. With Hilton and Caesars, proposing $2 billion, 100-acre Chicago casino/theme park complex. Driving principle: for middle-income America, "value is everything." Pennington, retired 4 years, talks regularly with Bennett; recently bought Montana cabin—enjoys "deer and elk and moose walking through our yard." For Bennett, stock, other assets estimated $550 million. Pennington: estimated $430 million.

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Charles Johnson
Rupert Johnson Jr.

Half brothers. Franklin Resources. Charlie: Hillsborough, Calif. 59. Married, 6 children. Yale B.A. 1954. U.S. Army 1955. Took over father's money – management company, Franklin Distributors, 1957, $2 million in assets. Went public as Franklin Resources 1971. Named after American patron saint of frugality and thrift. Ticker symbol: BEN. Struggled throughout 1970s; barely survived stock market crash of 1973-74. Business finally took off early 1980s. Secret: designing mutual funds for specific markets à la Ned Johnson *(which see)* of Fidelity, skillfully promoting. Packaged gold stocks, tax-free munis (first of its kind), government securities, etc. Also pumped up yield. "They're very shrewd at keying on what investors look at." Stock could still be had for split-adjusted 25 cents 1982. Recently selling at $31—12,000% increase. Over $65 billion assets managed today. Charlie's stock recently worth $550 million. Half brother Rupert: Hillsborough, Calif. 52. Married. Executive VP, oversees company's investments. Stock: $400 million. Plaque on Charlie's wall: "Persistence and determination alone are omnipotent."

John Richard Simplot
and family

Potatoes. Boise, Idaho. 83. Divorced, remarried; 4 children. Quit school, left home in 8th grade. Sorted potatoes, raised hogs, put proceeds into first potato field. Millionaire by 30. Company scientist developed freezing process 1950s; fortune assured after convincing Ray Kroc to go with his frozen french fries. "Mr. Spud" now produces over 1.5 billion pounds annually, including more than 50% of McDonald's fries. Integrated company: potato peelings help feed 300,000 cattle (but feedlot industry hurting), sells fertilizer, other frozen vegetables. Micron stock, also said to own big stake in Ford. Net worth estimated $550 million. "I love America. We've got the only system that works—it keeps everyone hustling."

James Howard Marshall II

Oil. Houston. 87. Divorced, remarried; 2 sons from first marriage. Born Germantown, Pa. Yale Law School 1931. Lawyer Interior Dept., then Standard Oil. Wrote law against "hot oil" (oil produced above Texas Railroad Commission levels). Chief counsel WWII Petroleum Administration; later advised Joint Chiefs of Staff on oil policy. Senior executive at Ashland Oil, Signal Oil after war. Invested in Great Northern Oil Co. with friend Fred Koch, father of present Kochs *(which see)*. Eventually swapped stock for stake in Koch Industries. Long retired. Has vehemently denied

wealth, but Kansas state documents show that he has nearly 15% Koch Industries; his stake estimated $550 million.

Thomas Stephen Monaghan
Domino's Pizza. Ann Arbor, Mich. 55. Married, 4 daughters. Fatherless at age 4; mother put Tom, younger brother Jim in Catholic orphanage. Studied for priesthood, expelled from seminary. Marines. U. of Michigan dropout. With brother, paid $500 for pizzeria 1960. Traded VW to buy out Jim. Pioneered "30-minute delivery" system. Domino's sales approaching $3 billion today, 5,500 stores worldwide. Claims religious renewal: "I had my high-rolling days. I hope I'm maturing." Put on market all non-pizza assets: Frank Lloyd Wright artifacts, rare cars, etc. Recently sold Detroit (baseball) Tigers to fellow pizza magnate Michael Ilitch *(which see)*. Claims may take Domino's public one day soon. Funds Honduran missionary, antiabortion groups. Estimated some $550 million.

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Leonard Abramson
U.S. Healthcare. Blue Bell, Pa. 59. Married; 3 daughters. Father had small business failures, Leonard worked after school to bring home money to his mother: "Not too many people started off with less than I did." Drove cab to pay for pharmacy degree. Drug salesman for Parke-Davis. Denied promotion after great sales record, quit. At 27 bought pharmacy; soon, another. Sold 1966; sold small medical company 1969. Joined R.H. Medical to foster strange new health care idea: HMOs. Got 10%. Bought idea out 1975 on $500,000 note; took U.S. Healthcare public 1983. Idea's time has come. Stock up about twelvefold since 1988; his shares recently worth some $550 million amid national medical cost crisis. Two daughters in company.

John Orin Edson
Leisure craft. Seattle. 60. Married, 2 children. Founded Bayliner (powerboats) 1955. Company, fiberglass boats sped past rest of boating competitors; sales, profits doubled in each of last 3 years before sale to Brunswick late 1986. Basic manufacturing tack: simplify and standardize production, pass along lower prices. Edson, made wealthy by Brunswick buyout, conservatively invested proceeds—mostly bonds, some stocks. He and wife now travel extensively. Building biggest fiberglass yacht in U.S.: 160-foot model ("Fiberglass was my business. I couldn't build it with anything else"). Owns and pilots several planes; he, wife fly his-and-hers helicopters. Net worth estimated $550 million.

Jon Meade Huntsman
Plastics. Salt Lake City. 55. Married, 9 children. Teacher's son; Wharton, USC. Managing in-law's egg-processing plant inspired 1965 joint venture in polystyrene egg containers. Appointed HEW 1970; later Nixon aide. With brother, started plastic products company 1968. Near-bankruptcy; recovered; sold out 1976. Founded Huntsman Chemical, big debt, 1983. Bought big polypropylene capacity 1987; high leverage, dirt cheap; cleaned up on industry turnaround. Looking abroad: Europe, former U.S.S.R. "I've been accused of being heavy-handed, but if you can shave a few million off expenses, that may be all the profit you're going to make." Recovering from prostate cancer. Estimated $550 million.

Henry Earl Singleton
Teledyne. LA. 75. Married, 5 children. Son of Texas rancher. Annapolis, MIT. Dreamed of building great corporation. Stints at Hughes Aircraft, Litton Industries. Met George Kozmetzky at Litton, pair launched Teledyne 1960s with $450,000; financed by Arthur Rock. Assembled famous early conglomerate. Later spun off Argonaut Group (insurance), American Ecology (environmental cleanup), Unitrin (insurance). Master of large-scale divestiture and stock buybacks, has "legendary ability to spot undervalued investments." Unexpectedly quit day-to-day management 1989; still chairman executive committee. Notoriously secretive: Teledyne president learned of $400 million stock buyback in late 1970s, after fact. Estimated worth $545 million.

James Elsworth Davis
Artemus Darius Davis ★
Brothers. Winn-Dixie Stores. Jacksonville, Fla. James: 85. Married, 2 children. "A.D.": 86. Married, 2 children. Among 4 sons of William Milton Davis, owned Idaho general store. Then bought Lemon City, Fla. grocery for $10,000 in 1925. Named Winn-Dixie 1955: "To win Dixie was our ambition." Four sons built company to largest grocery chain in South (1992 revenues, $10.3 billion); now almost 1,200 stores in 13 states, employees nonunion. James chairman until 1983; son A. Dano (CEO since 1988) only family member in day-to-day operations. James chairman American Heritage Life until 1990, now raises timber on Jacksonville land. A.D. vice chairman until 1982, now retired to Colorado cattle ranch. Both involved in philanthropy, education. James' stock, land estimated $540 million. A.D.'s stock recently worth $300 million.

Maurice (Hank) Greenberg
Mansfield Freeman
Ernest E. Stemple
American International Group. NYC. Company founded Shanghai 1919 by C.V. Starr (d. 1968), first Westerner to sell insurance to Chinese. Built international conglomerate; no heirs. Large block AIG, investments in private holding companies, controlled by key executives: inheritance by management. Today largest commercial underwriter, looking to increasing opportunities Eastern Europe, Asia. Greenberg: 67. Married, 4 children. Raised on N.Y. dairy farm. Lawyer. Chance interview at Continental Insurance Co. went badly; Greenberg went to higher-ups; hired immediately. Moved to C.V. Starr & Co. 1961. Rose quickly, named successor 1968. Went public 1969 as AIG. Stock, other investments worth $530 million. Freeman: Greensboro, Vt. 97. Widowed, 1 son. Joined Starr in China early 1920; returned to U.S. 1941, retired with healthy load of shares 1960. Son Houghton vice chairman, 71, votes shares but stock in Freeman's name, recently worth some $400 million. Stempel: Hamilton,

Bermuda. 76. Married, 4 children. Joined C.V. Starr as clerk 1938, then only 23 employees. Used stock options, incentive system to accumulate shares worth recent $300 million.

Roy Edward Disney

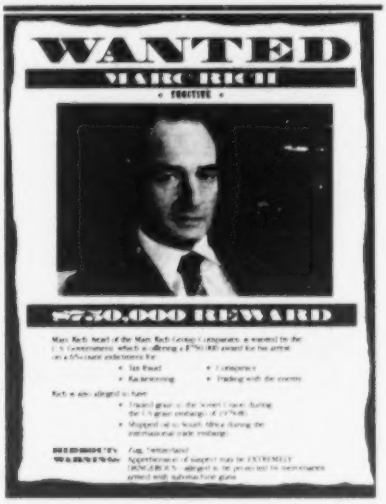
Walt Disney Co. Los Angeles. 62. Married, 4 children. Nephew of genius cartoonist Walter Elias Disney (d. 1966). Roy began career as asst. film editor of the 1953 TV series *Dragnet*. Worked 24 years at Disney studios as a film editor, writer, etc. Left to become independent producer/investor after management dispute 1977; started Shamrock Holdings, investment firm with real estate and media holdings. Returned as vice chairman 1984; ousted management, brought in Michael Eisner. Roy heads animation dept. Shamrock company bought 33% sneaker company LA Gear, took substantial control 1991. Also 2 TV, 14 radio stations. His net worth estimated $530 million.

George Phydias Mitchell

Oil and gas, real estate. Houston. 73. Married, 10 children. Son of Greek immigrant goatherd and railroad worker; worked way through Texas A&M selling stationery, busing tables. After WWII, "I did the engineering and geology, and [brother] Johnny would go down and sell the deals." Discovered huge natural gas field on bookie's tip, Mitchell Energy & Development public 1972. Drills American: "We'll give a one-way airline ticket to any competitor who wants to go overseas." From early 1970s, building The Woodlands, 25,000-acre Houston development. "He is very, very persistent and tenacious. Most everything he does is related to building the value of his company." Stock, etc., estimated $530 million.

Robert Lee Moody and family

American National Insurance. Galveston, Tex. 57. Divorced, remarried; 4 children, 4 stepchildren. Grandfather William Lewis Moody Jr. (d. 1954) founded ANI 1905; 1907 law forcing out non-Texan insurers was huge bonanza. Built banking, ranching, media empire; largest U.S. hotel chain 1930s. Divided fortune between foundation and family trust; legal battles followed. Robert bought 51% Moody National Bank from foundation 1979, controls family trust with 38% ANI. Brother Shearn Jr. jailed for mail fraud 1987; conviction overturned. After son's auto accident, major contributor to medical research for victims of permanent brain damage. Robert controls fortune estimated at $530 million.



A United Steelworkers flier

The feds got an ally in their pursuit of fugitive commodities trader Marc Rich. The Steelworkers maintained that Rich was in control of West Virginia's Ravenswood Aluminum Corp., where there was a violent labor dispute, and exposed his U.S. dealings.

Lucille Carver

Bandag, Inc. Muscatine, Iowa. 75. Widow of Roy James Carver (d. 1981); 3 sons. Carver acquired rights to German retreading process 1957. Nearly bankrupted family pump company developing longer-lasting tire retreads. Succeeded. Attempted to diversify mid-1970s; failed. But Bandag retreads, precured rubber, equipment for trucks and buses market leaders (tiny share passenger car market). Youngest son Martin now chairman, CEO. Continuing to improve product. Roy Jr. owns Carver Pump Co., father's original business. Widow Lucille still treasurer, director. "We are not one of the companies that spend all their time looking for deals; we try to run a business." Her shares recently worth $525 million.

Roy Hampton Park

Media. Ithaca, N.Y. 82. Married, 2 children. Born on N.C. farm, entered N.C. State at 15. AP stringer for $18 per week, ran college paper. Worked in public relations, then launched Ithaca ad agency 1942. Ran Thomas Dewey ad campaign: "If he'd won, I'd be a happy retired bureaucrat." Cofounded Duncan Hines 1947, sold to P&G for stock 1956. Bought N.C. TV station 1962; added media. Now 8 TV, 20 radio stations; 140 rural dailies, weeklies, etc. Collects old cars, watches (one on each wrist). Active in N.C. State, Ithaca College; latter named media school for him 1989. Park and wife raise peacocks: "They make tremendous watchdogs." Stock in Park Communications et al., real estate estimated $525 million.

Henry R. Kravis
George R. Roberts

Partners. LBOs. With Jerome Kohlberg *(which see)* left Bear, Stearns 1976; Kohlberg Kravis Roberts prowled for LBOs. Bought big: Houdaille Industries, $370 million 1979; first $1 billion deal: Wometco 1984. Later, Storer Communications, Safeway, Beatrice, Owens-Illinois, Duracell, etc. Kohlberg left 1987, opposed hostile takeovers, prices paid; sued; still partner in some deals. In 1988 biggest LBO ever: RJR Nabisco, $26.4 billion. Still restructuring RJR, Moody's upgraded debt last year; recently settled shareholders' suit. Many partner-investors in all deals. KKR usually gets 20% LBO profits; also fees: about 1.5% management fee, 1% investment banking fee, etc., KKR's risk minimal: typically 1% of equity. Investors not complaining, even in down market: annual returns often 30% to 40% to date. Back on takeover trail 1991: 9 magazines from Rupert Murdoch for $600 million; bought into Fleet/Norstar Financial Group (bought failed Bank of New England for $625 million). Shifting to cable TV, financial services, publishing, leisure-related. Lately, American

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Re Corp. Henry: NYC, Southampton. 48. Divorced, remarried; 2 children (1 son deceased). Hard-nosed son of Tulsa oil geologist. High-profile, NYC social scene: lavish donor to Metropolitan Museum, ballet, hospitals. First cousin George: San Francisco. 49. Married, 3 children. Very private, hates NYC; runs SF office with brother-in-law Robert MacDonnell. Gives much to USC. Net of other KKR partners, each estimated over $500 million.

Walter A. Haas Jr.
Robert D. Haas
Peter E. Haas Jr.
Josephine B. Haas
Rhoda H. Goldman
and families

Blue jeans. San Francisco. Bavarian immigrant Levi Strauss sold pants made of tent canvas to California '49ers; patented denim version 1873. Strauss died bachelor 1902. Walter Haas Sr. (d. 1979) married Strauss' grandniece, ran Levi Strauss & Co. 1928-55. Son Walter Jr.: 76. Married, 3 children. Took company public 1971. Bought Oakland (baseball) A's 1980. Retired 1981, still active director, honorary chairman. His interest in company estimated $310 million. Walter's son Robert: 50. Married, 1 daughter. Took company private in $1.7 billion leveraged buyout; now chairman, chief executive officer of world's largest apparel firm. "A corporation's responsibility goes beyond profitability, providing a quality product to consumers at a fair price." His interest in company estimated $310 million. Rhoda Haas Goldman: 68. Married, 3 children, 1 deceased. Walter Jr.'s sister, company director; with husband Richard established Goldman Environmental Prize, large save-the-environment award; estimated $475 million. Josephine Haas: late 60s. Peter Sr.'s *(which see)* ex-wife has shares estimated $500 million. Their son Peter E. Jr: 45. Company director, estimated $340 million.

John Charles Haas
Fritz Otto Haas

Brothers. Rohm & Haas. John: Villanova, Pa. 74. Married, 5 children. F. Otto: Ambler, Pa. 77. Married, 3

children. Father Otto Haas (d. 1960) returned to Germany from U.S. to help friend Otto Rohm exploit new tanning process 1907. Back 1909 to open office. Company added insecticides 1929, developed Plexiglas 1932. Rohm family's portion seized WWII, then sold in public offering 1948. Big growth 1950s. F. Otto took over on father's retirement 1959. With brother John, tried fields outside company's specialty chemicals with bad results. Went back to traditional products: new preservatives 1970s; expansion 1980s in paint and paper coatings, added electronics chemicals. Brothers long retired; both have history of philanthropy. Combined shares recently $1 billion.

Stuart Robert Levine
Craig Robert Benson

Partners. Computer networks. Levine: Stratham, N.H. 34. Married, 1 child. "Bob" voted least likely to succeed in high school; looked prophetic with 4 previously failed businesses, U. of Miami B.S. with 2.1 grade point average. Benson: Rye, N.H. 38. Married, 2 daughters. With M.B.A., managed computer equipment stock room. Another garage as high-tech incubator: In Levine's, Benson attached connectors to odd lots of cable, Levine lifted them onto truck. For networking products, turnaround time of 1 day beat competitors' 8 weeks. Levine formed Cabletron Systems 1983; Benson joined 1984. Left Mass. 1985 for "friendlier climate" to small businesses of N.H. President Bush found one of state's few pockets of prosperity during January visit to company headquarters—1992 sales: $291 million. Hit boom of local area networks perfectly, went public 1989. Unconventional wisdom: conference rooms with no chairs; says Benson, "When legs get tired, meeting ends." Levine known for boots, weights, Harleys. Stock worth over $500 million; Benson's $415 million.

Robert William Galvin

Motorola. Barrington Hills, Ill. 70. Married, 4 children. Father Paul (d. 1959) founded Galvin Mfg. 1928 with $565: made car radios; walkie-

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talkies WWII. Robert groomed for business from childhood; president 1956, chairman 1965. Sold off traditional products; now leader semiconductors, cellular phones, electronics: 1991 revenues, $11.3 billion. Heads Sematech, government-sponsored industry microchip project. With Bush on January trade mission to Japan: "The Japanese market opens only as a function of outside pressure." Stepped down as Motorola chairman 1990, still chairman executive committee; son Christopher, 42, now assistant COO. Robert's Motorola stock, other assets worth $500 million.

Teresa F. Heinz

Inheritance. Fox Chapel, Pa. 54. Widowed, 3 children. Controls family food company shares after death of husband, Senator Henry John Heinz III (R-Pa.), in 1991 plane crash. Born and raised in Mozambique. Married "John" 1966; his great-grandfather H.J. Heinz bottled, sold horseradish Pa. 1869. Started U.K. pickle company 1886; cornered market. Founded U.S. condiment king—now far more than 57 varieties; Weight Watchers, Star-Kist, Ore-Ida, Nine Lives brands; 1991 sales, $6.6 billion. No family members in management. Heads Howard Heinz Endowment, Heinz Family Foundation; donated $10 million in John's memory to Yale University Art Gallery. Teresa's portion of family shares recently $500 million.

William Ingraham Koch
Frederick Robinson Koch

Brothers. Energy services. Two of 4 sons of Fred Koch (d. 1967), founder Koch Industries, now $19-billion-plus oil services giant. Bill: Palm Beach. 52. Married, 1 child. Fred: London (Jean Paul Getty's former mansion), Monaco, NYC. 58. Single. Nasty family split 1981; brothers Charles, David *(see both)* controlled firm; Bill claimed mismanagement, miserly dividends. "I'm one of the wealthiest men in America, and I had to borrow money to buy a house." Brother Fred, big donator to arts, joined Bill's fight; buyout settled feud 1983. Bill founded Oxbow Corp., mixed bag of businesses—energy trading firm, real estate, Nevada geothermal electric plant, New England Business magazine, leased office space, among others. Sales said to be near $1 billion. Successfully skippered San Diego Yacht Club's defense of the America's Cup 1992, spent $68 million (including $10 million own money) in effort. Worth $500 million or more. Spokesman: "You're way low." Fred: Harvard, Yale Drama School. Reclusive, collecting, restoring art. "The guy just isn't into business." Believed worth at least $500 million.

Michael Ilitch

Pizza. Detroit area. 63. Married, 7 children. Son of poor Macedonian immigrants, opened Little Caesar pizza parlor with wife, Garden City, Mich., 1959. Added second 1961; saw chain possible. Designed conveyor oven to get pizza out quickly. Added razzle-dazzle marketing: "Two great pizzas, one low price." Rapid growth. Now some 4,000 franchises, mostly takeout. Ilitch owns 1,000, gets franchise fees from others, sells them ingredients; family in business. Owns winning Detroit (hockey) Red Wings. Recently bought Detroit (baseball) Tigers from fellow pizza king Tom Monaghan *(which see)*. Also has arena management firm. Two pizzerias on wheels feed poor. Net worth estimated $500 million.

Wallace Henry Coulter
Joseph Coulter★

Brothers. Blood cell counters. Wallace dropped out of Georgia Tech while studying electrical engineering 1932. Numerous technical and service jobs while tinkering in Chicago basement. Developed "Coulter Principle" 1949: time-saving electronic method of counting microscopic particles. With government grant invented Coulter Counter, blood cell counting instrument, 1953. With brother Joseph, founded Coulter Electronics 1958, now just Coulter Corp. Big success. Estimated 95% of automated blood counters worldwide use Coulter or clones. Growth prompts recent purchase: 120-acre Amerifirst office campus in Miami from Resolution Trust Corp.; to relocate there by 1994. Wallace: Miami area. 70s. Single. Joe: Miami area. 67. Divorced, 4 children. Company valued in industry at some $1 billion; makes Chairman Wallace's controlling interest $500 million; then, Joe's stake $495 million.

John Edward Anderson

Beverage distribution, real estate. Bel Air, Calif. 75. Widowed, remarried; 4 children. Peddled popcorn outside dad's Minnesota barbershop. UCLA hockey scholarship 1936; Harvard M.B.A.; night law school Loyola. Cofounder Kindel & Anderson law firm 1953; some clients beverage distributors. Saw business, bug bit; formed Ace Beverage 1956, distributed then-minor Budweiser brand. Parent Topa Equities now includes banks, insurance. "It's not much fun unless you succeed." Purchased First Business Bank (LA) 1989 for $86 million: "Price has never been the utmost item to me." Quiet, but $15 million to UCLA Business School 1987. "I still have trouble paying 75 cents for a Snickers." But can pony up. Believed worth at least $500 million.

The $45 million fish tank

Former Coca-Cola bottling magnate Jack Lupton was on hand to dedicate the Tennessee Aquarium along the Tennessee River in downtown Chattanooga in May. He contributed about $20 million of the $45 million project, after some initial skepticism: "I probably called it a fish tank."

Caroline Rose Hunt and family

Inheritance, oil, real estate. Dallas. 65. Divorced, 5 children. Second daughter of legendary oilman H.L. Hunt *(see Ray Hunt, Hill)*. Avoided disastrous silver investments that ruined brothers William Herbert, Lamar and Nelson Bunker. Separated holdings 1983. Most of domestic oil production sold for estimated $275 million 1990; diversified into real estate, stock. Has profitable oil, gas interests Dutch North Sea. The Caroline Hunt Trust Estate includes Rosewood Property Co.: Dallas' Mansion on Turtle Creek, Crescent Hotel, related properties; manages London's Lanesborough Hotel. Once a billionaire, said to live frugally as main income beneficiary of the trust, assets estimated $500 million.

Jeremy Maurice Jacobs

Sports concessions. East Aurora, N.Y. 52. Married, 6 children. Father Lou founded concession business with brothers 1915 in theaters, baseball parks. Made loans to troubled sports teams in pre-TV days for exclusive long-term rights—one comes up for renegotiation 2000. Lou, "Godfather of Sports," eventually bought out brothers; died 1968, son Jeremy took over. Modern contracts shorter, competition intense, so Jeremy expanded into airport concessions, metals, horse and dog tracks, Boston (hockey) Bruins, Boston Garden (building new one). Like father, like son: Jeremy bought out his brothers 1980s. Still longs for Japanese baseball concessions. Estimated worth $500 million.

Reese McIntosh Rowling and family

Oil, pipelines. Corpus Christi, Tex. 64. Married, 4 children. Geologist for oil companies. Went off on own, founded Tana Oil & Gas 1972. In early 1980s recession, virtually debt-free; bypassed competition: "drilled lots of wells while other companies were busy paying their bank loans." By 1989 one of largest private independent exploration firms in U.S.; sold oil and gas production unit (kept pipeline) to Texaco. Took mostly special Texaco preferred stock, some cash, avoiding much capital gains tax. Recent southwestern hotel investments, paying cash. Also new oil and gas exploration. Son and company spokesman Robert, 39, president of TRT Holdings, shell entity for family investments. Estimated net worth $500 million or more.

Robert Edward Rich Sr.

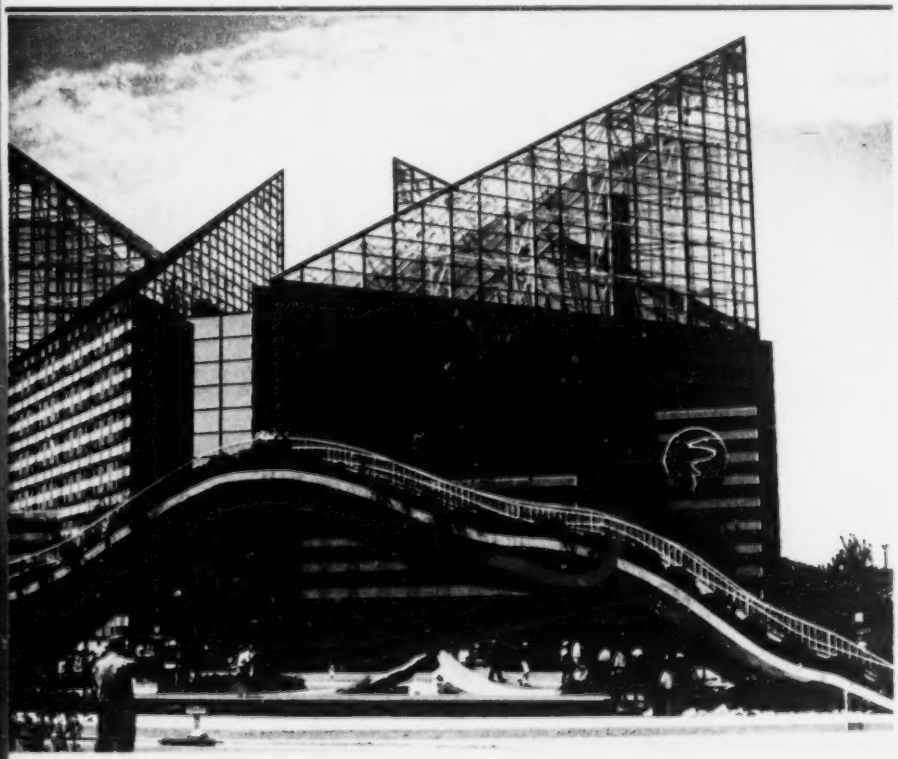
Cream substitute. Buffalo, N.Y., Palm Beach, Fla. 79. Married, 3 children. Learned family's dairy business, bought own milk company 1935. WWII milk administrator. "The cow is a very inefficient factory." Developed soybean-based whipping cream, then Coffee Rich creamer 1960; cheap, nonspoiling; foundation of fortune. Total Rich Products sales top $800 million. Acquired small frozen food companies; recently bought bakery. Expanding internationally—Russia in 1993. Son Robert Jr., 51, now president: "Nepotism works." Company owns Triple-A baseball Buffalo Bisons, two other minor league teams. Also Florida golf course. Net worth estimated $500 million.

Amos Barr Hostetter Jr.

Continental Cablevision, Inc. Boston. 55. Married, 2 daughters. Son of stockbroker from Short Hills, N.J. Harvard M.B.A.; stint in utility finance. "Bud" started cable company with frat brother H. Irving Grousbeck 1963. Each put up $4,000 (as did Bud's father). Acquired and built franchises. Dow Jones took 24.5% stake 1981; sold 2 million shares 1986. Acquisition-hungry: bought McClatchy *(which see)* cable company 1986, American Cable Systems 1988. Now over 2.8 million subscribers, growing fast. Bought out Dow Jones' remaining stake for $300 million 1989. Grousbeck left to teach 1981, still owns 10%. A new player in the industry, much debt, company believed worth over $1.2 billion. His stake estimated over $500 million.

John Thomas Lupton Elizabeth Lupton Davenport

Brother, sister. Coca-Cola bottling. Grandfather John T. (d. 1933) got rights to distribute Coca-Cola 1899.



Used part of patent medicine fortune to finance first Coke bottling plants. Father Thomas Cartter bought, sold Coke franchises at frantic pace. John: Lookout Mountain, Tenn. 66. Married, 4 children. "Jack" started as bottle washer; ran family firm (ITL) from father's death 1977. Coca-Cola board member until 1983, sold ITL to Coke 1986 for pretax $1.4 billion. "The timing was right for this." Spearheaded $750 million project to revamp downtown Chattanooga; major contributor to $45 million Tennessee fresh-water aquarium. "Jack is outspoken on everything he believes in." Elizabeth: Lookout Mountain, Tenn. 59. Divorced, remarried; 3 children. Husband R.B. "Rody" Davenport III chairman of fast-food hamburger chain Krystal Co., went public May; his 55% stake worth $75 million today. Elizabeth and John split $800 million from sale proceeds 1986. If kept up with inflation, $1 billion today.

Laszlo Nandor Tauber

Real estate. Potomac, Md. 77. Divorced, remarried; 2 children. Born Budapest; champion gymnast, medical school. Escaped Nazi labor camps on second try. "I just walked away one day." To U.S. 1947, set up medical practice. Dreamed of own hospital, surgeon's income not enough. First project: apartment building on $9,500 lot. Switched to offices, primarily for U.S. government, at initial low rent to win bid; raised on re-lease. Eventually Uncle Sam's biggest landlord. Built Jefferson Hospital, Alexandria, Va. Now much real estate concentrated in Washington, D.C., NYC, Va.; often invests with partners. Recently sued by Salomon Brothers over foreign currency trading on side. Believed worth at least $500 million.

Jerry J. Moore

Shopping centers. Houston. 64. Married, 3 children. Son of Polish Jewish immigrants; high school dropout. Started in plumbing; sold vacuum cleaners—some to buyers without electricity ("I told them the electricity was coming"). Began buying strip malls 1966. Business plan: get troubled strip mall cheap, rehab, raise rents; buy more. Now some 12 million sq. ft. Developing Columbia Lakes resort. Lives in transplanted 40-room 18th-century French château. Major car collector: over 700 classics (41 Duesenbergs, 80 Ferraris and 70 Rolls-Royces). World-class talker; dress so casual River Oaks neighbor offered to hire him to mow lawn ("I made 5 bucks"). New research suggests $500 million net worth possible, depending on debt.

Albert Lee Ueltschi

FlightSafety International. Irving, Tex. 75. Widowed, 4 children. Son of Frankfort, Ky. electrical engineer. Opened hamburger shop to pay for flying lessons age 16. Bought open-cockpit biplane with $3,500 loan. Joined Pan Am 1941. Personal pilot to legendary chairman Juan Trippe; Ueltschi considers him mentor. Post-war, saw military pilots becoming corporate pilots needed training. Founded FlightSafety 1951; built flight simulators: safer than crashing planes. Successful but never too safe: kept job at Pan Am until 1968. Now 38 centers U.S., Canada, Paris. Chairman ORBIS International, flying eye hospital provides training, care on DC-10 jet. His FlightSafety shares recently worth $495 million.

Robert Allen Naify
Marshall Naify

Brothers. San Francisco. Movie theaters, cable TV. Started as ushers and projectionists in father's theater businesses. Father was Lebanese immigrant; founded United California Theaters chain 1920s after opening movie theater in Atlantic City 1912. Bought 50% of United Artists Theater Circuit 1950; brothers assumed control after UCT UATC merger 1963; spun off subsidiary, Todd-AO, named after late showman Michael Todd; postproduction movie sound services. Management style emphasizes decentralization. Sued by sister for mismanagement 1977. Sold out to Tele-Communications Inc. 1986 for rights to 15 million shares, $150 million cash. Robert: 70. Married, 6 children. TCI Director. Stock, etc., estimated $495 million or more. Marshall: 72. Divorced, 3 children. Stepped down as chairman 1978; returned 1982. Now virtually retired. Estimated $345 million.

★

Sidney Kimmel

Jones Apparel Group. Philadelphia, NYC. 64. Single, no children. President of sportswear company Villager, Inc. Went to W.R. Grace & Co.; founded Jones Apparel Division 1970. Took Jones private 1975, expanded fast. Overdid: shed weak divisions, kept Jones New York, Christian Dior Suits, Saville. Recovered. Took public 1991; one of biggest designers women's suits, sportswear. Sells to 2,300 department stores, including Nordstrom and Lord & Taylor: can offer attractive profit margins. Sideline, Jones Film, started 1983; so far: *Blame it on Rio*, *The Clan of the Cave Bear*, *9½ Weeks*; producing sequel to *9½ Weeks*. Collects contemporary art. This year his 62% Jones stock, etc., worth some $480 million.

John William Berry Sr.
and family

Yellow Pages. Dayton. 70. Twice divorced, remarried; 5 sons. Army WWII. Dartmouth. Son of Loren M. Berry, who sold horseradish, then ad space in train schedules as boy. Traveling salesman took dreams, $200 to Dayton 1910. Talked Dayton Home Telephone Co. into ad sales campaign using one-color paper. "Mr. Yellow Pages" died 1980 at 91. John Sr. bought out siblings, expanded. Sold L.M. Berry & Co., second-largest Yellow Pages agent, for BellSouth stock 1986, retired 1987; John Jr. runs wholly owned subsidiary. Sr. chairman Berry Investments: hunting supply company, security device firm, etc. Big GOP booster. Fortune estimated at least $475 million.

Arthur Bejer Belfer
and family

Oil, real estate. NYC. 84. Widowed, remarried; 3 children, 2 stepchildren. To U.S. from Poland WWII. Stopped making sleeping bags for Army 1952; discovered oil and gas business. Went public 1959 as Belco Petroleum Corp. Created large resource base in Peru, while tapping domestic natural

gas resources. After oil endeavor in Israel flopped, spread out into U.S. coal mining 1969. Friendly takeover by InterNorth 1983, company renamed Enron 1986. "If the price is right, we sell." When Belco of Peru nationalized same year, Belco's output chopped in half. Arthur chairman emeritus; son Robert, 57, Enron director, tennis fanatic. Family's Enron stake, vast NYC real estate holdings estimated $470 million or more.

★

Thomas F. Frist Jr. and family

Hospital Corp. of America. Nashville, Tenn. 54. Married; 2 sons, 1 daughter. Vanderbilt; Washington U. medical school. Air Force doctor. Returned to Nashville as young doctor 1968, joined father and Jack Massey in founding HCA with simple idea: hospitals can be run profitably. Started Nashville; went public 1969. Tommy Jr. focused on acquisition and development; by 1973 owned 51 hospitals. CEO 1987, led $5.1 billion leveraged buyout 1988. Today HCA manages 75 medical hospitals, 48 psychiatric hospitals nationwide. Went public again early 1992. Ex-marathon runner, family man: "No matter how many patients my father had, he always had time for his children." Shares, options owned by Tommy Jr., family, worth $470 million.

Alfred Lerner

Banking, real estate. Shaker Heights, Ohio. 59. Married, 2 children. Worked in family's Queens, N.Y. candy store (lived in back); Columbia U.; Marine Corps. Sold furniture for $75 a week 1957: "I was just happy to be making a living." Put savings into Ohio apartment building. By 1979 could buy 11,000 units Maryland, Pennsylvania with partner Andre Mayer (Lazard Freres) for $176 million. Being director small Cleveland bank "whetted my appetite." Bought control Equitable Bancorp 1981. Invested $75 million in Progressive Corp. (high-risk insurance) 1988. Merged Equitable, Md. bank 1989; spun off MBNA 1991. Interest in Cleveland (football) Browns, stadium. Estimated worth $465 million.

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Alpheus Lee Ellis
Banking, real estate. Tarpon Springs, Fla. 86. Widowed, 1 daughter. Swept floors, cleaned spittoons at father's Alabama bank. To Florida 1925; stayed. Acquired joint control Sarasota State Bank 1943; president until 1946. With wife slowly acquired 15 Florida banks. Merged Ellis Banking Corp. with NCNB 1984 for 4 million shares, lifetime guarantee of job. NCNB recently merged with C&S/Sovran to form NationsBank Corp. Ellis still senior chairman of subsidiary NationsBank of Fla. Works 6-day week. "I don't do anything but work. I used to play golf. I made a hole in one once so I quit." Some real estate. Stock, etc. recently $460 million.

Jackson Thomas Stephens and family
Investment banking, gas exploration. Little Rock, Ark. 69. Twice divorced, 2 children. Brother and partner of late Witt Stephens (d. Dec. 1991), who peddled belt buckles and Bibles, then muni bonds, got into natural gas in rich Arkoma (Ark., Okla.) basin. Jack built Stephens Inc. into third-largest investment house off Wall Street: underwrote Wal-Mart 1970; helped Tyson Foods' takeover of Holly Farms 1989, etc. Extensive stockholdings: Worthen Banking et al. Also real estate, etc.—often mixes business with politics. Jack, Ark. political kingpin, acquaintance of Bill Clinton; chairman. Son Warren, 35, president, CEO. Jack, family share fortune with Witt's heirs estimated over $900 million. Spokesman: "You're much too low."

Leonard Samuel Skaggs Jr.
American Stores Co. Salt Lake City. 69. Married, 4 children. Grandfather, a Baptist minister, started Skaggs Cash Stores to raise money for his Idaho congregation 1915. His 6 sons took over, later became Safeway, Inc., early major grocery chain. In 1939 Skagg's father acquired Payless Drug Stores in Utah. Leonard took over 1950, age 26. Formed partnership 1969 with Joseph Albertson *(which see)* to develop idea of combined drug/grocery store. In 1977 amicable split; each took 29 stores. In 1984 Skaggs acquired Jewel Cos. for $1.15 billion; in 1988 purchased Lucky Stores for $2.5 billion. Today 1,650 stores in 35 states. His shares recently worth $455 million.

Mark Goodson
Game shows, newspapers. NYC. 77. Thrice divorced, 3 children. Son of Russian immigrant who opened Berkeley, Calif.'s first health food store. Mike fright ended radio announcer hopes; produced radio soaps. With partner Bill Todman (d. 1979) did game shows from 1940s. On to TV 1950 with *What's My Line?*: "I gave it 10 weeks." Off by 25 years. *I've Got a Secret, The Price is Right, Password, Family Feud*, etc. Profits plowed into newspapers; now 8 dailies, 25 weeklies. Papers' values slumping with industry, weak economy, but budding cable TV game show channels boost value of television library. "I know I have money, but I don't feel rich." Not even at estimated $450 million or more.

Carl Henry Lindner Jr. and family
Insurance, banking. Cincinnati. 73. Married, 3 sons in business. Left high school to deliver milk for family-owned dairy during Depression. Opened ice cream store, built 220-store United Dairy Farmers chain. Started American Financial Corp. with small S&L 1959; added insurance 1971. Had golden touch with investments in unwanted, troubled companies, greenmail. Increased original AFC portfolio 60-fold 1961-80; then went private for $340 million. Now intertwined public and private investments; constantly shuffling assets. Sons run subsidiaries; big salaries, big bonuses. But operating problems, large holding company debt brings total down to estimated $450 million.

Eli Broad
Kaufman & Broad Home Corp., Broad Inc. LA. 59. Married, 2 children. Built first homes (with partner Donald Kaufman) with $25,000 loan from in-laws 1957. Grew quickly to 1973; key markets in Calif., France.

Aaron Spelling with some of the cast from Beverly Hills, 90210, including his daughter Tori (second from left) **In the 1970s and early 1980s his dramas dealt with wealth, beauty and romance. With 90210 he found a new formula: young angst. This fall Spelling is producing three shows aimed at teens and 20-somethings: Melrose Place and The Heights on Fox, and NBC's The Round Table. A fourth show, 2000 Malibu Rd., aired this summer and may be added later.**

Added insurance to hedge real estate cycles; later spun off home builder 1989, changed name of remaining financial services company to Broad Inc. Still holds K&B stock; separately developing 3,500-acre ranch near Sacramento, Calif. Collector contemporary art, founding chairman Museum of Contemporary Art in Los Angeles 1983; LBO investor on side. Michigan State business school named after him following $20 million donation 1991. "Eli is a pleasant man, but he is the type of guy who will clean your clock in a business deal." Worth estimated $450 million.

★
Karsten Solheim
Golf clubs. Phoenix. 81. Married, 4 children. Son of a Bergen, Norway cobbler; came to U.S. 1913. Attended college 1 year; Depression forced early exit. Opened shoe shop. Joined GE 1953 as mechanical engineer; helped develop first portable TV. Took up golf 1954; got hooked. Designed own clubs; named PING, for sound when striking ball. Made in garage on side. Overwhelmingly suc-

cessful top line. Went full time 1967. Pros used: Boros, Nicklaus, among others. Added irons 1980s. Now Karsten Mfg. sales estimated over $200 million; about 50% U.S. putter market. New this year: PING Zing irons; golfers stand in line to buy, sight unseen. Also apparel, golf bags. Lifelong churchman; family in company. Estimated some $450 million.

Daniel James Terra

Lawter International. Chicago. 81. Widowed, remarried; 1 son. Son of Italian immigrant lithographer. Penn State; sang in speakeasies to survive Depression. Developed high-speed print process 1936 for magazines. Borrowed $2,500 to found Lawter, specialty printing ink firm, 1940. Consultant's advice to delegate management 1955 sparked success. Now chemicals, resins, adhesives. Major collector American art; own Chicago museum, new museum near Monet's old house in Giverny, France; residents complain about traffic. Reagan campaign finance chairman 1980; named first ambassador-at-large for cultural affairs. Lawter, art, other holdings estimated $445 million.

Irénée du Pont Jr.
Irene Sophie du Pont May
Constance Simons du Pont Darden
Eleanor Francis du Pont Rust
Mariana du Pont Silliman
Octavia Mary du Pont Bredin
Lucile du Pont Flint
and families

Brother and sisters. Inheritance. Children of Irénée Sr. (d. 1963), president Du Pont Co. 1919-26 *(see family)*. Irénée Jr.: Montchanin, Del. 72. Married, 5 children. With Du Pont Co. 32 years, retired as senior VP 1978; left board 1990; still on boards Wilmington Trust, Longwood Foundation. Oversaw merger Christiana Securities with Du Pont 1977, effective end to traditional family control of company. Irene Sophie (Mrs. Ernest May): Wilmington, Del. 91. Widowed, 4 children. Constance Simons (Mrs. Colgate W. Darden Jr.): Norfolk, Va. 88. Widowed, 3 children. Husband (d. 1981) governor Va. 1942-46. Eleanor Francis (Mrs. Philip Gordon Rust): Thomasville, Ga. 85. Married, 4 children. Mariana (Mrs. Henry Harper Silliman): Hagley, Montchanin, Del. 81. Married, 6 children. Octavia Mary (Mrs. John Bruce Bredin): Greenville, Del. 79. Married, 6 children. Lucile Evelina (Mrs. Robert Baronet Flint): Greenville. 77. Married, 5 children. Seventh sister Margaretta Lammot (Mrs. Crawford H. Greenewalt) died 1991, leaving millions in land to nature society in Greenville, Del., rest to husband (president Du Pont 1948-62) and 3 children. These 7 surviving siblings and families have fortunes, much in trusts, estimated at least $430 million apiece.

Charles Francis Dolan

Cable TV. Oyster Bay, N.Y. 66. Married, 6 children. Raised Cleveland; ran sports newsreel business with wife, wrote commercials, radio scripts; migrated to NYC 1952 to make industrial films. Fascinated with cable TV, began wiring NYC hotels 1960; won Manhattan franchise 1961; founded Home Box Office (HBO) 1970, first nationwide pay channel, to keep viewers tuned in. Sold Manhattan operations to Time 1973 to build Cablevision Systems Corp. Now over 1.7 million NYC area subscribers, also in 10 other states. Sees company as programmer: national, regional sports channels, American Movie Classics and Bravo. Stock, other assets estimated worth $430 million.

William A. Dart

Dart Container Corp. Sarasota, Fla. 65. Married, 3 children. Joined father's steel tape measure company founded Michigan 1937. Began experimenting with plastics 1953. In 1960 pair produced foam cup with own equipment, technology; started Dart Container toward becoming world's leading maker foam cups, 15 plants North America, England; makes own polystyrene feedstock; owns truck fleet. Continuous, active family management; W.A.'s son Kenneth president, son Robert VP. Son Thomas runs Dart Energy, oil and gas concern. Spare cash: bought 11% Freddie Mac 1991; sold some, now holds 5.2%. Bought Salomon shares

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the day three top executives set plans to resign; now has 6.7%. Stock, other assets worth over $425 million.

Samuel Zell

Real estate, investments. Chicago. 51. Married, 3 children. With U. of Michigan frat brother Robert H. Lurie (d. 1990) bought troubled Sunbelt, Midwest real estate, rehabbed for fraction of new construction cost, sold for big gains, bought more. Applied to companies: notably Itel (largest U.S. railcar lessor). Bottom-fisher's nickname: The Gravedancer. Bad poet; recent work: "Leverage was the beverage that got this party cookin'; but the hangover's set in, and now a Gravedancer's lookin'." Big lookin': manages two billion-dollar vulture funds for profits cut. But recent business problems of own. Leads 100mph international motorcycle tours (Zell's Angels) for fun. Sharing interests with Lurie heirs; Zell's stake estimated $425 million.

John Jay Moores

BMC Software. Sugar Land, Tex. 48. Married, 2 children. U. of Houston. Married high school sweetheart at 19; attended law school together but never practiced: "It's a real tough business." Programmer for Great Southern Life, 1963-66; IBM, 1966-74. Started BMC Software 1980, wrote programs for corporate mainframes; used cash flow to hire other programmers. Sales by telephone ("a guiding philosophy"); also seminars worldwide. Went public 1988. Moores' 35% recently worth $415 million. Retired last Dec.: tennis, skiing, fly-fishing; but keeps up with software, other investments. With wife gave $51.4 million to alma mater. "I have an ability to recognize and admire people who are smarter than I am."

Patrick George Ryan

Insurance. Chicago. 55. Married, 3 sons. Born to Milwaukee Ford dealer; Northwestern football scholarship. Thinking six-figure income, sold insurance for Penn Mutual. Then, 1962, the idea: sell credit life insurance through car dealers for a percentage. Ryan Insurance revenues $560 million 1982; merged with W. Clement Stone's stagnating Combined International; Ryan got 11% (now almost 14%), CEO office. Renamed Aon Corp. (Gaelic for "unity") 1987. Looks to expand in "niches," recently media and governmental insurance. Also acquired 200-year-old European insurance brokerage. Family man, involved in Chicago charities and social scene, owns 20% Chicago (football) Bears. Stock, etc. worth $410 million.

William Russell Kelly

Kelly Services. 86. Married, 1 son. British Columbia native; father international oil pioneer, died 1928, leaving 7 children, no estate. Dropped out of U. of Pittsburgh. Sold cars; Army fiscal management analyst WWII. Saw new business machines, believed operators would be needed. Moved to Detroit: "I thought the automobile business would require a mass of paperwork," opened Russell Kelly Office Services 1946. Sent out machines and staff, then businesses acquired own machines and needed just the "Kelly Girls." Took public 1962, now over 950 offices worldwide, employed over 550,000 temps last year. Adopted son, Terence Adderley, president and CEO, has $114 million in stock. Kelly's stock worth $410 million.

Jerome Spiegel Kohlberg Jr.

Leveraged buyouts. Mt. Kisco, N.Y. 67. Married, 4 children. New York-born lawyer, Harvard M.B.A. Left Bear, Stearns to found KKR with Kravis, Roberts *(which see)*: bought undervalued companies using massive debt, motivated managers with part ownership; multiplied value. First Big Board buyout: Houdaille Industries $370 million, 1979. First $1 billion deal: Wometco 1984. Followed by many more. "Patriarch," mentor of firm. Split with Kravis et al.: in 1987 opposed hostile takeovers, believed prices were too high. Still limited partner in some KKR deals but major source for anti-KKR book, *The Money Machine*; Kohlberg's lawsuit for greater share profits dropped 1990. Still rich: estimated net worth $400 million or more.

Jack N. Mandel
Joseph C. Mandel
Morton L. Mandel
Premier Industrial Corp. Brothers. Jack: Shaker Heights, Ohio. 80. Married, no children. Joseph: Lyndhurst, Ohio. 78. Married, 2 daughters. Morton: Shaker Heights. 71. Married, 3 children; dropped out of college at 19. Brothers pooled $900, bought small auto-parts shop from uncle 1940. Found market niche for obscure auto parts to low-volume, high-paying customers. Went public 1960. Bought Newark Electronics 1968, expanded beyond auto parts. Jack and Joe in charge of marketing; Morton, chairman and CEO. "Find a need and fill it." Customer service is high priority; 95% of orders shipped within 24 hours. "We're committed to quality." Leading nationwide distributor electronic components and maintenance products. Charitable; supported Cleveland rejuvenation projects. Combined net worth of 3 brothers recently estimated $1.2 billion.

Newlyweds Ted Turner and Jane Fonda, after the December ceremony **"The wedding of the year" was a private affair—CNN was not invited. But the plighted troth of media magnate and actress captured attention. "We're both happier," she said.**

Patrick Joseph McGovern
Publishing. Nashua, N.H. 55. Divorced, remarried; 4 children. Built machine to play Tic-Tac-Toe in 10th grade; won MIT scholarship, worked on MIT computer magazine. Launched International Data Group 1964 as computer census service. Started flagship publication Computerworld 1967. Now more than 185 newspapers, magazines in 60 countries, including Russia; related information services. Some stock sold to employee trust (more than 30% so far) "to build a total, common family." Believes in letting employees have autonomy. Consummate salesman. Lives modestly, flies coach. "Living ostentatiously means putting other people down." Estimated at extremely tactful $400 million.

Charles Henry Dyson
Conglomerator. NYC. 83. Widowed, remarried; 4 children, 1 son in business. Price Waterhouse CPA, decorated WWII colonel; represented Treasury Department at Bretton Woods 1944; left Textron VP post 1949, felt it was diversifying too slowly. Launched Dyson-Kissner (now Dyson-Kissner-Moran) with former colleague Franklin Kissner 36 years ago. Built conglomerate DKM, which has done hundreds of deals since. Private companies include Core-Mark International (food distributor), Kearny-National. Public holdings in Tech Sym, Varlen Corp. Also real estate. With family owns some 91% of incommunicative DKM, which may be worth $400 million or more.

Charles C. Butt
Supermarkets. San Antonio. 54. Single. Baptist grandmother started small grocery Kerrville, Tex. 1905; family lived upstairs. Son Howard (d. 1991) renamed H.E. Butt Grocery 1944, chairman to 1984. Today H-E-B Foods. Grandson Charles bagged groceries age 8; Wharton 1959. H-E-B president 1971. Among largest private U.S. supermarket chains (1992 sales, $3.8 billion). Also video stores. Successful against Kroger, Albertson's *(which see)*. Sign in office: "The price to stay here is always equal to or greater than the price you paid to get here." Demands loyalty. Interests: historic preservation, sailing. Owns 100%, worth at least $400 million.

Roy Michael Huffington
Oil. Houston, Vienna. 74. Married, 2 children. Geology Ph.D. Harvard; chief Gulf Coast geologist Humble Oil (now Exxon). Abandoned corporate womb to prospect oil 1956; moderate success. Indonesian geology reminded him of southern Louisiana late 1960s. Took terms majors wouldn't accept; huge gusher 1972 made mere 17% worthwhile. Acquired downtown Houston real estate 1980s. Sold to Chinese Petroleum Corp. 1990 for about $600 million. Big GOP donor; currently ambassador to Austria. On diplomacy: "It's no different than what I've been doing the last 25 or 30 years." Pushes Eastern Europe investment. Plans eventual return to business. Estimated nest egg post-tax, some $400 million.

Jack Crawford Taylor
Enterprise Rent-a-Car. St. Louis. 70. Divorced, remarried; 2 children. College dropout, Navy fighter pilot. Car salesman, then sales manager for Cadillac dealer; started own leasing business with financial backing from boss; took 50% pay cut; "If I failed, I figured I could always do something else." Early 1960s pioneered insurance replacement rentals for wrecked cars, now 75% of his rental business. Avoids large players at brutally competitive airports; likes residential areas; emphasis on service: "Here are the keys; have a good time." Expanded nationally 1970s, started with South. Sales topped $1 billion 1991. Son Andy, president, forecasts presence in all major cities by 1994. Jack's 85% estimated $400 million or more.

Marvin Herb
Soft drink bottling. Chicago. 55. Married, 2 children. Born upstate N.Y., U. of Buffalo; U. of Toledo

M.B.A. Bronx plant manager for Pepsi-Cola; president Pepsi-Cola Bottling of Indianapolis 1972. To Borden later that year; rose to president consumer products division. Saw chance: bought Coke's bottling operations in Indianapolis and Chicago 1981; now Coke's third-largest bottler—80 million cases sold in 5 states. In Indy and Milwaukee, trying to recapture market from Pepsi he built up in 1970s. Intensely private; notoriously tough manager, aggressive labor negotiator. Critical of discounting practices; from *Beverage Industry*: "The point is you want to have profitable growth, not just growth." Estimated worth $400 million.

Reginald F. Lewis

LBOs. NYC; East Hampton, N.Y.; Paris. 49. Married, 2 children. Harvard Law School 1968. Arrived Wall Street 1983 after prestigious law career. With $1 million, $24 million loan, bought McCall Pattern Co. 1984. Netted estimated $80 million on 1987 sale. Met Mike Milken. Engineered 1987 buyout ($985 million) from Kohlberg Kravis Roberts of food giant Beatrice International. Got 47% (since increased to 51%). "One man's greed is another man's incentive." Sales now over $1.5 billion, 1991 net income $51 million. Active in Democratic politics. Francophile, cigar lover; collects French surrealists, African-American art. "The word 'no' is not in his vocabulary." Net worth estimated $400 million or more.

Oveta Culp Hobby and family

Media. Houston. 87. Widowed, 2 children. Daughter of state representative; Texas House parliamentarian age 20; ran for legislature age 25, lost. Age 27, wed Houston Post publisher William Hobby; he added radio, TV. Liberal GOP fashion plate, first HEW secretary under Eisenhower (second woman at Cabinet-level post). Son William Jr. Texas lieutenant governor; daughter Jessica Catto published Washington Journalism Review. Set up H&C Communications 1979; sold Post 1983 for reported $100 million, bought Cowles Broadcasting 1985. Looking to sell: recent bid by bankrupt Young Broadcasting for all H&C save Houston AM station. Oveta, fortune mostly in heirs' names but controlled by her, estimated $400 million or more.

Anne Windfohr Marion

Inheritance. Fort Worth, NYC. 53. Thrice divorced, remarried (to Sotheby Chairman John Marion); 1 daughter. Great-grandfather Burk Burnett began famed 6666 ranch as 21-year-old cowboy with 100 cattle; eventually amassed 448,000 acres, mostly west Texas; later discovered big oil. Left Anne's mom, "Big Anne," heiress. She loved weddings as much as oil, married 4 times, lastly to Charles Tandy, founder Tandy Corp. But kept wells pumping. Inheritance to "Little Anne," product of second marriage. Little Anne keeps Burnett traditions: runs things; collects land, oil royalties, art and husbands. Avid hunter quail and doves. Directs Tandy Foundation. Estimated worth $400 million.

Circus Circus founders William Bennett (top) and William Pennington with Luxor

Circus Circus is building this pyramid-shaped casino hotel on the Las Vegas strip. Bennett is also pushing a $2 billion casino complex in Chicago.

Joseph Dabr Jamail Jr.

"Sore-back lawyer." Houston. 66. Married, 3 sons. Started district attorney's office, then small law firm; formed own firm. Got rich with "sore-back" cases. Far richer from 1987 Texaco-Pennzoil case (estimated $420 million fee, pretax): 1,500 calls next 3 days; now ratio of cases accepted 1 in 300, but makes room for wealthy friends. Self-described "goddamned good." With 3 lawyers, 4 assistants, 4 secretaries, settlements 1987-91 some $73 million. Big time again this year: partial settlement Miniscribe case; over $550 million awarded to investors for damages. Joe says he made over $180 million last year, pretax. Hands out $100 bills to Houston street bums; also unpublicized grants, scholarships. Estimated over $400 million.

John Hammond Krebbiel Sr. and family

Molex, Inc. Lisle, Ill. 86. Widowed, 2 sons. With father John Sr. invented cheap plastic (Molex) from industrial waste. Began 1938; made toy guns, flowerpots, etc. Then, plastic-based electrical connector 1945; enormous manufacturing time-saver. Became big maker small electrical devices for industry, computers, telecom; now buys plastic from outside suppliers. Successful joint venture Japan 1968; Far East now 55% of sales. Public since 1972. Today 48 plants in 20 countries. John Sr. still chairman.

Sons run day-to-day. John Jr.: 55. President. Fred: 51. CEO. "Our philosophy from the beginning was to develop proprietary products." Net worth estimated $400 million.

Viola Sommer

Inheritance. NYC. 71. Widowed, 3 children. In 1940s and 1950s husband Sigmund Sommer built small apartment buildings Brooklyn, single family homes N.J. By mid 1970s shopping malls, huge luxury apartment buildings. Owned top Thoroughbred moneywinner 1971-72; he died of heart attack at racetrack 1979. Lawsuits over estate claim lawyers sold real estate worth $100 million for $10 million, took huge fees, interest-free loans. Heirs obliged to pay $430,000 legal fees to attorney they have tried to fire since 1989. Appeals pending; trial set for early 1993. "This is not a personal vendetta; this is business." Viola in Racing Hall of Fame. Fortune may exceed $400 million, lawyers or no.

Louis Larrick Ward

Russell Stover Candies. Kansas City, Mo. 72. Married, 3 children. Stanford, Navy WWII; bought small paper box company 1950. One customer, Russell Stover: "There are only so many ways you can put chocolate, butter, cream, eggs, milk, fruit and nuts together—the real competition is in packaging." Bought control Stover 1960 for $7.5 million, public same year; took private 1981. "Bottom-line businessman" relied on point of sale, word of mouth. Plus quality, attractive packaging, modern plants, low-cost labor. Now largest boxed-candy producer. Plays cowboy on Montana ranch. "Keep going forward, but keep your eye on the company in the rearview mirror." Foot on accelerator, estimated $400 million.

Lawrence Fisher
Zachary Fisher
and families

Brothers. Real estate. NYC. Larry, 82. Zachary, 81. Both married, 1 child each; third-generation New York real estate family. Larry: "We've been in business for over 100 years." Larry and Zack started buying in Philadelphia 1926, got bank building; then Queens apartments, NYC over next 20 years. Built, ran prime midtown office towers 1960s. Now near 7 million sq. ft. in 5 class A buildings, including Burroughs Bldg., Burlington House, Park Ave. Plaza, all NYC. Willing to wait years for perfect location. Larry: "A sensible company does not build just because the bank will loan the money." In 1980s started moving excess cash into stock market; pocketed about $60 million from runs on Disney, CBS; today firm's top executives have Quotrons on desks. Larry N.Y. Yankees fanatic. "I'm not the kind of guy who likes to see his name in the newspapers." Depending on stock portfolio, brothers and families worth at least $800 million.

Guilford Glazer

Real estate. Beverly Hills. 71. Divorced, remarried; 2 children. Worked in father's welding shop Knoxville, Tenn.; expanded family business; launched building career 1950 with apartment house for widowed mother. Shopping center 1954 Oak Ridge, Tenn., sold 1989 for $45 million. Moved to Los Angeles for climate; opened largest U.S. retail mall, LA's Del Amo Fashion Center, 3 million sq. ft., 1971; also office buildings Atlanta, Boston. "The way a businessman works is that he takes a deep breath and jumps into the river and believes he will swim to the other side because he must." Built Israeli community center with buddy Armand Hammer; adviser to Israeli prime ministers. Estimated net worth $400 million.

Robert Alfred Lurie

Real estate, inheritance. SF. 63. Divorced, remarried; 4 children, 2 adopted stepchildren. Son of Louis R. Lurie (d. 1972), colorful real estate, entertainment wheeler-dealer who purchased $1,000 printing firm at age 14 in Pacific Northwest. Went on to build 300 buildings Chicago, SF; produced Broadway hits *(South Pacific, West Side Story)*, movies *(Tarzan)*. Introverted, cigar-chomping son Bob inherited: conservative caretaker; eschews debt, acquisitions. Purchased beloved SF (baseball) Giants 1976; hopes for new stadium quashed in SF community vote 1989; also rebuffed in San Jose. Gave up, now seeking approval for sale of team to Florida group. Real estate weak. Estimated $400 million or more.

Gary Campbell Comer

Lands' End. Chicago. 64. Married, 2 children. Award-winning copywriter Young & Rubicam while in early 20s (1952). "I wanted to be a reporter, but the Chicago Daily News turned me down." Continued sailing in spare time; competed in 1968 Olympic trials. In 1963 started Lands' End, mail-order catalog for sailing supplies, accessories. In 1970s diversified into casual clothing, luggage, meeting customer demand; extremely successful. By 1977, dropped sailing. By 1983, dressier clothing. Dropped 1986. "It was developing into this fashion business and I knew I didn't want that." Went public 1986. Comer's stock recently worth $400 million. "What is best for our customers is best for all of us at Lands' End."

Alexander Gus Spanos

Real estate. Stockton, Calif. 69. Married, 4 children. Rough childhood in father's bakery; frequently beaten. Started catering company selling sandwiches to migrant farm workers 1956 with $800 bank loan. First apartments bought as tax shelter; such good business built his own starting 1961. A.G. Spanos Construction became land developer, built over 60,000 apartments across Sunbelt. "You don't find me in cold climates." Now slumping with real estate, construction industries; expects rebound with economy. Owns 81% San Diego (football) Chargers. Old dance routine with golf pal Bob Hope still remembered. Net worth estimated $400 million. "The day I'm satisfied, they can bury me."

Adolph Alfred Taubman

Shopping centers. Bloomfield Hills, Mich., NYC. 67. Divorced, remarried; 3 children. Son of Detroit home builder, college dropout. Got $5,000 loan 1950, developed shopping cen-

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LEONARD H. YABLON
Executive Vice President

ter, built more. Large regional malls 1960s. Perfectionist with stringent leases, store-design demands: seeks to create selling environment. Made $150 million from Irvine Ranch buyout 1977-83 *(see Bren)*; white knight Sotheby's 1983. Hurt by business decisions: took $600 million loan from GM 1985; never refinanced GM out; it now wants blood when real estate, retailing are down, banks stone-faced. Seeking to take REIT public, retain operating control. But GM will remain Big Brother. May still be worth over $400 million.

Bella Cabakof Wexner

The Limited, Inc. Columbus, Ohio. Near 80. Widowed, 2 children. Mother of Leslie Wexner *(which see)*, builder of vast women's apparel empire. Bella, buyer for the Lazarus stores, married Russian immigrant Harry Wexner (d. 1975), who at 13 worked in tin-can factory. Together opened women's clothing store. Joined son's store when his idea, specialized retailing, boomed. Director, company secretary and adviser to Leslie. Description: "Instantly acquired czarina majesty." Attributed philosophy: "You can do it, we can do it, everything will be perfect." Peach-colored office is down the hall from son. Leslie: "I regret that my father never lived to see it." Bella's Limited shares recently worth fairly perfect $395 million.

Clemmie Dixon Spangler Jr. and family

Investments. Chapel Hill, N.C. 60. Married, 2 daughters. Father left farm, started construction company, built motels, apartments; helped found bank that foundered. "Dick" Jr. helped restore; bought out by NCNB 1982. Bought more NCNB shares (now NationsBank, has over 8 million shares; wife a director). Developed Golden Eagle motel chain, sold off 1970s, 1980s. Proceeds used to buy 2 million RJR shares before 1989 buyout by KKR. Not all business—now president 140,000-student U. of North Carolina system: "Best job in North Carolina." Picked up a chunk of Jefferson-Pilot. Repairs antique English grandfather clocks; backpacks summers in Rocky Mountains. Stock, etc., worth $390 million.

Richard Rainwater

Investments. Fort Worth. 48. Divorced, remarried; 3 children. Son of Lebanese wholesaler. Math major U. of Texas; M.B.A. Stanford, where met up with Sid Bass *(which see)*. Joined Sid to run $50 million Bass family fortune 1970. Successful. Left 1986 to run own sizable portfolio: health care, oil, real estate. Interest in Hospital Corp. of America, cofounded Columbia Hospital Corp. Still holding Energy Service Corp., Penrod Drilling. "I've played as many positions in the investment world as there are to play." Diverse tastes: venture capital, equities, LBOs, interest rates. With kids, holds over 10% interest Texas (baseball) Rangers. Net worth estimated $390 million.

Craig O. McCaw
John Elroy McCaw Jr.
Keith W. McCaw
Bruce R. McCaw

Brothers. McCaw Cellular Communications. Centralia, Wash. Father John Elroy McCaw radio, TV pioneer in Northwest. Died 1969, company mired in debt; paid off by selling everything but cable TV system. Craig took over while studying at Stanford. Envisioned day when everyone would carry personal phone. Formed partnership to raise cash for rapid expansion. Sold cable interests to Jack Kent Cooke *(which see)* for $755 million 1987. Major backer: Affiliated Publications *(see Jordan, Taylor families)*. Went public, bet ranch on cellular; leveraged company into biggest in nation (1991 revenues, $1.4 billion). Acquired LIN Broadcasting after 1990 bidding war, more debt; picked up more major markets to further Craig's dream of "single integrated national network known as Cellular One." Craig: chairman, CEO. Bellevue, Wash. 43. Married, no children. John: director, executive VP. Seattle. 41. Divorced, 3 children. Bruce: director. Seattle. 46. Single. Keith: no longer director, still major stockholder. Seattle. 39. Married, 1 child. Brothers worth estimated $1.3 billion; Craig alone holds $390 million.

Dewayne B. Reinhart
Wholesale food. La Crosse, Wis. 72. Married, 4 children. College interrupted by WWII Army Air Corps. Postwar, sales manager wholesale grocer. With partner, picked up tiny $3 million (sales) Gateway Foods, wholesale distributor, 1956. Expanded, bought out partner 1979. Stayed private, safe from takeovers, stockholder pressures. Built to $2.3 billion sales. Sold Gateway 1989 to Scrivner for estimated $300 million aftertax profit. With children, still has businesses to tend: Reinhart Institutional Foods, Reinhart Investments, real estate. Co-owner La Crosse Catbirds of Continental Basketball League. Quick-tempered; difficult to work for. "La Crosse's 900-pound gorilla." Net worth estimated around $390 million.

Richard Alexander Manoogian
Masco. Grosse Pointe Farms, Mich. 56. Married, 3 children. Armenian immigrant father Alex founded screw company 1929, went public 1936. Invented one-handle Delta faucet 1954; led to family fortune. Now 91, stock going to family, worth $160 million. After Yale, Richard guided company through diversification into other metalworking fields; acquired about 100 companies, starting early 1960s. Spun off Masco Industries (commercial products) from Masco Corp. (consumer products) 1984. Since 1986 has acquired 10 furniture firms—now 8% of U.S. furniture market. Major art collector, well over 1,000 paintings, mostly 19th-century American. Stock, art, other assets worth $380 million.

Anne Catherine Getty Earhart
Claire Eugenia Getty Perry
Caroline Marie Getty
Daughters of George Getty (d. 1973), son of renowned oilman Jean Paul Getty; collectively known as "Georgettes" by family. Inheritance. Anne: Laguna Beach, Calif. 40. Married, 2 children. Began squabble over half-uncle Gordon's *(which see)* control of Sarah C. Getty Trust, then backbone of Getty family fortune; also disliked handling of Getty Oil; married to former Peace Corps volunteer. Claire: 38. San Francisco Bay area. Also married to former Peace Corps man; 4 sons. Amid initial Getty-Pennzoil deal, petitioned California judge, got temporary restraining order that gave Bruce Wasserstein chance to bring in Texaco; resulted in Getty Oil sale. Caroline: 35. San Francisco. Single. Active in preserving wildlife, environment. All very private. Combined share of Getty fortune estimated $1.14 billion.

Robert Drayton McLane Jr.
Food wholesaling. Temple, Tex. 56. Married, 2 sons. Grandfather opened grocery store 1894; began wholesaling 1903. Drayton Jr. took over 1965. Expanded. Entered computer age 1962; kept costs down, built first nationwide system. Now 14 distribution centers; more being added. Sold McLane Co. to longtime friend Sam Walton *(see heirs)* for 5.6 million Wal-Mart shares, cash, 1990. "It made a lot of sense . . . they are moving to stock more groceries." Still chairman, CEO. Recently bought Houston (baseball) Astros, master lease of Astrodome. Gave up golf for tennis; golf takes too long. Workaholic. Active in Baptist church. "I get discouraged when the sun goes down." Estimated net worth, $380 million.

★
Leon Levine
Family Dollar Stores. Charlotte, N.C. 55. Married, 3 children. At 13, after father's death, helped mother run local department store North Carolina. College dropout. Opened first Family Dollar Store age 21 with $3,000 personal investment. "I felt my talents were greater than spending 30 minutes selling a $50 suit." Expanded to buy in volume; specialized in closeouts, overruns. Sold at deep discount, mainly to low-, middle-income rural families. Went public 1970. Now nearly 1,900 discount stores in 31 states and D.C., primarily eastern half of U.S. "We run a tight ship and keep the business simple." Sales (1991) of clothes, household goods over $950 million. Levine's stock, other assets, recently worth estimated $380 million.

Clarence Scharbauer Jr.
Inheritance, oil. Midland, Tex. 67. Married, 4 children. Family moved from NYC, settled in Midland 1889; father became leading citizen—built the hotel, ran the bank. Also rancher, bought up thousands of acres Goldsmith Field to feed cattle. Land turned out to be in one of the richest U.S. oil provinces—the Permian Basin. First strike 1935; has produced more than 900 million barrels of crude to date. Clarence Jr. one of the most powerful men in Midland, oil capital west Texas. Doesn't drill, just collects millions in royalties. Very private. Tends to horses, including 1987 Kentucky Derby winner Alysheba. Estimated worth over $375 million, depending on use put to cash flow.

Bernard F. Brennan
Montgomery Ward. Winnetka, Ill. 54. Married, 3 children. Middle-class from Oak Park, Ill. Dad and uncles Sears employees. Joined older brother Edward at Sears 1964; Ed now chairman. Quit 1976 for small Fla. retailing distributor; elbowed aside founder 1979. Reputation as "hard-driving, decisive, excellent retailing executive." Head of store operations at faltering Montgomery Ward 1982, left 1983 after clash with boss. Next, CEO Household Merchandising. Back to Ward, languishing under Mobil Oil, 1985. CEO, later chairman. Turnaround: cut costs, redesigned stores, tripled profits. Led $3.8 billion LBO with GE Capital 1988. His 30% estimated $375 million; IRS reportedly wants $67 million.

Walter Herbert Shorenstein
Real estate. SF. 77. Married; 1 daughter, 1 son. Son of Long Island clothier; WWII Air Force. Real estate broker at SF's Milton Meyer & Co. 1946; partner 1951; bought company 1960 after founder's death. Now major player SF real estate: partnerships in 5 million sq. ft. some older and new SF office buildings; manages others. Bought famous Bank of America building 1985 for $660 million (almost all debt); saved from losses by Bank of America buyback; still owns

half. Also buildings in NYC, Kansas City, Houston, LA, etc. Big Democratic fundraiser: "I think Clinton squeaks through." Son Douglas currently president, heir apparent. Debt, other than Bank of America deal, lower than previously feared; net worth now estimated $375 million.

Johnnie Bryan Hunt

J.B. Hunt Transport Services, Inc. Goshen, Ark. 65. Married, 2 children. Dropped out of school age 12 to help support family. Worked in uncle's sawmill. Later, truck driver. Got prosperous on chicken litter plant idea: use discarded rice hulls for poultry litter. Bought small trucker 1969 as sideline. Boomed with deregulation in 1980; grabbed business from unionized competitors. Sold chicken litter business 1983. "You've got to be kind of a rare cat to be in the trucking business." Today company has about 6,000 tractors and 15,000 trailers and grosses over $700 million in sales. Treats drivers well; reaps efficiency. Rides horse daily on nearby cattle ranch. Owns 45.1% of stock, recently worth $375 million.

Barbara Piasecka Johnson

In 1990 she paid $15 million for the Badminton cabinet, making it then the world's most expensive piece of furniture. This year the U.K. finally allowed it to be shipped to her in New Jersey.

Seymour Cohn

Real estate. Palm Beach County, Fla. 82. Widowed, 2 children. Great-grandparents left Germany, settled NYC 1860s. Dabbled in real estate, found familial calling. Seymour quit Rutgers, joined uncle's firm 1931, rented space in fish district. Persuaded kid brother Sylvan Lawrence to join him in new firm 1946. Took chances; scrambled, saved commissions, bought properties; parlayed into lower Manhattan's largest, if unglamorous, real estate empire: about 12 million sq. ft. office space at peak. Suave Sylvan directed firm until death in 1981; many holdings later sold for $800 million. Current properties little or no debt. Seymour's half of fortune recently estimated at $375 million.

Jane B. Engelhard

Inheritance. Far Hills, N.J. 74. Twice widowed, 5 daughters. Left war-torn Europe for Buenos Aires with "nothing but our passports and our personal belongings." French-educated. Second husband, "Platinum King" Charles Engelhard Jr., built $300 million estate from precious metals business; pals with 007 writer Ian Fleming, was prototype for Goldfinger character. With Jane, jet-setted between numerous houses worldwide; Charles died 1971. Jane retired socialite, entertains discreetly at 172-acre Cragwood, a Far Hills, N.J. estate. Collects rare books, documents, owns original proclamation of Louisiana Purchase, signed by Thomas Jefferson. Very quiet. Fortune, prudently invested, could easily exceed $375 million by now.

Lewis Robert Wasserman

MCA. Palm Springs and Beverly Hills. 79. Married, 1 daughter. Pushed candy in Cleveland movie theater, brought to Chicago for Jules Stein's (d. 1981) Music Corp. of America 1936. President 1946 at 33; handled stars like Jimmy Stewart, Alfred Hitchcock; also Ronald Reagan. Brought dark suits, dark ties and Black Tower to Hollywood. Acquired Universal Studios 1962, dropped talent agency after Justice Department antitrust investigation: "It was a useless, unwarranted act." Turned down LBJ offer of Secretary of Commerce 1965. Later picked up Geffen Records, 49% of Cineplex Odeon. MCA purchased by Japanese giant Matsushita Electric 1991. Merger deal worth estimated $370 million to Lew.

Eugene Paul (J. Paul Jr.) Getty

Inheritance. London. 60. Divorced, widowed; 4 children with first wife, 1 by second. Third son of late oil baron Jean Paul Getty *(see Gordon Getty)*. Ran Getty Oil Italian operations. Then got into Sixties counterculture, drugs. Divorced 1965, married Dutch actress 1966. Series of misfortunes: couple became addicts, she died of heroin overdose 1971. Their son Tara Gabriel Galaxy Gramaphone Getty, now 24. Namesake son from first marriage kidnapped 1973, ear cut off before grandfather would pay ransom: now blind, paralyzed from 1981 drug overdose. Court forced J. Paul Jr. to pay doctor bills. Now a recluse. His share of Getty family fortune estimated $370 million.

Howard Brighton Keck
William Myron Keck II

Superior Oil Co. Descendants of William M. Keck Sr., legendary wildcatter known to taste-test core samples; founded Superior Oil 1921. Pioneered offshore drilling in Venezuela, Louisiana. Became largest independent with record drilling, huge reserves. Sons Howard, William Jr.

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grew up bitter rivals, fought to succeed father. William Sr. (d. 1964) tried to sell 1959, failed; chose Howard over namesake, who died 1982. Howard led company through ill-fated mining, timber, farming diversifications, turned back to oil 1976. Uncommunicative, he alienated sibling,s and hand-picked directors alike; forced off board during 1983 proxy fight. Upheaval led to $5.7 billion Mobil buyout 1984. Howard: I.A. 79. Heads Keck Foundation; financed $70 million Keck Observatory atop Hawaiian volcano. Estimated worth $370 million. William II (William Jr.'s heir): I.A. 50. Runs Coalinga oil company. Believed worth $270 million.

Max Martin Fisher
Oil. Franklin, Mich. et al. 84. Widowed; remarried, 5 children. Son of Russian immigrant peddler who built small oil reclamation plant. Ohio State 1930. Started as $15-per-week salesman. When plant burned down 1932, approached gas brokers to finance new refinery. "I guess I must have hoodwinked them." Built up. Offered premium price for oil late 1930s. During WWII, oil scarce, made killing. Sold out to Marathon Oil for stock 1959; Marathon tendered to U.S. Steel 1982. Real estate; Sotheby's stock. Daughter Mary recently diagnosed with AIDS, gave speech at Republican National Convention. Supports GOP, Israel, Detroit revitalization. "I believe I have an obligation as an American citizen to make a contribution." Estimated $370 million.

Susan Thompson Buffett
Marriage. San Francisco, Omaha. 60. Married to Warren Buffett *(which see)*; 3 children. Daughter of Omaha educator. Her parents knew Warren's; met Oracle of Omaha while rooming with his sister at Northwestern. He dropped in, she dropped out; married 1952. Heavily involved in civil rights movement; her husband quit the Right; couple's turn to Democrats "caused a great commotion" in family. Heads Buffett Foundation: nuclear disarmament, family planning. Now on West (Left) Coast, sees

Warren each month: "It works well this way. She sort of roams; she's a free spirit." Son: "She brought [my father] out of his shell." Her Berkshire shares worth $370 million; Warren says he'll leave his fortune to foundation she runs.

Jesse Mack Robinson and family

Banking. Atlanta. 69. Married, 2 daughters. College dropout, used-car salesman, built chain of auto finance companies. Financed Yves St. Laurent 1960; sold 1966 for $1 million. "One doesn't always keep the right things." Bought or opened 22 banks, often only banks around. Acquired interest Wachovia Bank. Mini-conglomerator: lumber mills, insurance. "I'm just a banker." Heart attack 1986 prompted slow sale of businesses. "I keep changing my share in companies from day to day." Horse breeder, golfer. Hopes daughters will succeed him; recently brought in son-in-law. "In this market, who knows what [the banking interests] are worth?" Nevertheless, fortune conservatively estimated some $365 million.

Harry Howard Hoiles
Mary Jane Hoiles Hardie

Publishing. Brother and sister; children of Raymond C. Hoiles (d. 1970), $2/week printer's assistant, bought Bucyrus (Ohio) Telegram-Forum 1927, Santa Ana Register 1935. Used papers to spread libertarian philosophy; opposed taxes, public schools, etc. Escaped 2 bombing attempts. "The kind of newspaper that a man takes has a lot to do with the kind of man he becomes." Freedom Newspapers now 25 dailies, 29 weeklies (sold 10 weeklies to Thomson Newspapers 1991), 5 TV stations. Chose name "because freedom will live forever and the Hoiles name will be forgotten in a short time." Descendants doing best to attain obscurity. Three children inherited; son Clarence headed company; his 1981 death led to family squabble. Harry: Colorado Springs, Colo. 76. Married, 3 children. Sued for control 1982, offered to buy outright for $1.01 billion 1985. Mary Jane: Marysville, Calif. 70. Married, 4 children. Husband Robert Hardie, chairman. Hardie family and Clarence heirs unwilling to sell or split up chain. Three branches worth estimated $360 million each. Company president: "Nobody can hate each other the way a family can."

Richard T. Farmer

Cintas Corp. Indian Hill, Ohio. 57. Married, 3 children, 8 grandchildren. Grandfather started industrial rag-cleaning business during the Depression. Richard: Miami U. of Ohio 1956. U.S. Marine Corps; Officer Candidate School. Joined Cintas 1957. Took over 1968. Expanded into workers' uniforms, idea of no-bother, one stop service: for likes of Delta Air Lines, UPS, local car repair shops. "We can outfit a man with a crisp, clean uniform that we own, that we clean and that we deliver . . . for less money than it costs him to have a cup of coffee and a doughnut every day." Took firm public 1983. "Being number one isn't as important as having 20% to 25% of the market. That's our objective." Now 11.6%. His shares recently worth $360 million.

The Optical Drive.

POWERED BY MOTOROLA The Sony Magneto Optical Disk Drive makes a sizeable contribution to the media world by storing huge amounts of data in a small amount of space—and transferring volumes of information in milliseconds.

Clayton Lee Mathile

Pet food. Dayton, Ohio. 51. Married, 5 children. Former Campbell Soup buyer hired 1970 by Paul Iams, animal nutritionist turned pet food maker. Iams wanted successor; Mathile running operation by 1975. Bought out Iams cheap 1982. "He got a real sweet deal." From $16 million sales to over $200 million 1991. Pioneered fast-growing yuppie puppy food market: sold breeders with discounts, promise of smaller stools, better health from premium product. Result: near commodity product with margins up to 25% pretax. Claims to be man with high ethics; denies description as "born again" Catholic who runs company in "Judeo-Christian" way. Expanding fast, getting corporate. Estimated $360 million.

Hugh Franklin Culverhouse

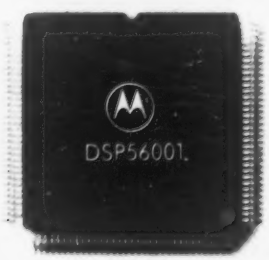
Real estate, banking, sports. Tampa. 73. Married, 2 children. Son of coal mining engineer, boxer at U. of Alabama; sparred with George Wallace. IRS prosecutor, became premier tax attorney Fla.—Richard Nixon, Bebe Rebozo clients. Bought Palmer Ranch, 13,000 prime Sarasota acres, 1970; slowly developing since. Sold half to what is now Coast Bank 1981, bought Coast Bank 1989 to reacquire land. Expected to sell bank at profit, keep Palmer. Also citrus groves, other housing developments. Owns Tampa Bay (football) Buccaneers; influential in league, but no longer actively running team. "I want to take some time off and smell the roses." Annual Africa hunting safari with buddies. Fortune estimated $360 million.

Alexis Felix du Pont Jr.
Alice Francis du Pont Mills
and families

Brother, sister. Children of A. Felix du Pont, distant cousin to Pierre, sided with him in family split 1915 *(see du Pont family)*, rewarded with stake in family holding company Christiana Securities; died 1948. A. Felix Jr.: Wilmington, Del. 86. Divorced, remarried; 3 children by first wife, 1 by second. Alice (Mrs. James Paul Mills): Middleburg, Va. 79. Married, 3 children. Each branch has trusts, etc., believed worth $350 million or more. Also third branch: widow, children of brother Richard, noted pilot killed in WWII glider crash. Widow Allaire successful horse breeder; among first women admitted to Jockey Club 1983.

Charles Allen Jr.
Herbert Allen
Herbert Anthony Allen

Stock market, real estate. NYC. Charlie: 89. Divorced, remarried; 3 children by first wife. Brother Herbert: 84. Widowed, remarried; 2 children. Charlie considered among alltime canny investors. Raised in Manhattan cold-water flat, high school dropout. Wall Street runner age 15; with 2 phones and $1,000 started bond trading age 19. Herbert joined 1928. Made and lost first million by 1929. Herb's shrewd trading kept firm afloat during Depression. Since 1930s investments in small, unlikely, cheap ventures paid off. Charlie's most famous coup: $1 million into Syntex late 1950s; recently worth over $400 million. Invested heavily with big shot real estate developers



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Gaylord Entertainment Company

Edward Gaylord with Minnie Pearl (center)
and Grand Ole Opry stalwarts Carol Lee Cooper, Roy Acuff and Hank Snow

He took his Gaylord Entertainment—which includes the Grand Ole Opry, Opryland USA and The Nashville Network—public last October. The stock proved as popular as the music: It's up about 50% since the offering.

A.A. Taubman, NYC's Bernard Mendick, Chicago's Arthur Rubloff; most ventures sold. Herb's son, Herbert A.: 51. Divorced, remarried; 4 children. Joined business 1962. Against elders' advice bought 6% Columbia Pictures 1973, made $40 million selling piece to Coca-Cola 1982, $70 million more selling rest to Sony 1989. Allen & Co. highly secretive, entrepreneurial; partners bill each other for time, advice. Spartan offices, second-hand furniture. Major stakes in numerous small companies. Allens' shared fortune estimated above $1 billion.

Cyril Wagner Jr.
Jack Brown

Partners. Oil, investments. Midland, Tex. Wagner: 58. Divorced, remarried; 5 children. Brown: 67. Married, 3 children. Geologist Wagner, engineer Brown formed oil and gas partnership 1962. Complementary partners: built oil reserves, predicted 1980s oil collapse, diversified into plastics, equipment. With T. Boone Pickens made failed Gulf bid 1984: $70 million profit. Also took runs at Unocal, Phillips Petroleum, USG Corp. "Brown knows a good deal when he sees it. Wagner knows how to sell it." Bought Insilco Corp. 1988 for $813 million. Now in Chapter 11, but pair appears insulated from liabilities. Back to oil and gas. With Texas drying up at current prices, thinking globally: exercising exploration rights Australia, England, Paris Basin (Paris, France, not Paris, Tex.). Want outside partners to help finance drilling, reduce risk. Highly secretive. Brown likes sailing; Wagner likes golf. Joint worth estimated over $700 million.

John Arrillaga
Richard Taylor Peery

Partners. Real estate. Palo Alto, Calif. John: 54. Married; 1 son, 1 daughter. Son of spud farmer; third-team basketball All-America at Stanford. Brief stint as landscape gardener, then southern Calif. real estate salesman. Richard: 52. Married; 3 sons, 1 daughter. Son of Bank of America honcho; Stanford business school, managed dad's ragtag Bay Area real estate. Impressed by John's dealmaking prowess, teamed up 1967. John is the outside man, Richard minds the books. Colleague: "The toughest businessmen I've ever dealt with." Expanded on easy Bank of America financing. Foresaw Silicon Valley, bought fruit farms cheap; now more than 5 million square feet R&D space, thousands of acres undeveloped land

Bay Area, Sacramento. Debt extremely low, self-finance many projects. "It's just a game to them." John fanatic gardener, currently landscaping 210-acre Palo Alto dream home (lakes, redwood forest, sand volleyball court). Dick avid outdoorsman, devout Mormon. Equal shares of fortune estimated over $700 million.

★

John Andreas Catsimatidis

Supermarkets, oil refining. NYC. 44. Divorced, remarried; 1 daughter. From Greece as infant; NYU engineering student. Turned around cousin's ailing grocery store; making $30,000 a year by graduation. Bought grocery 1970; now Manhattan's Red Apple chain, includes Gristede's, Pantry Pride in south Florida. Bought out of bankruptcy 1986 United Refining Co., Warren, Pa., and gas station cum convenience stores. Turned around; now big part of fortune. "You should not only look at the numbers, you should exercise common sense." Plans for new NYC airline, Capitol Air Express. "You're better off being lucky than smart, and I wish I were a little bit smarter." Flies company jet. Net worth estimated $350 million.

Harry Lebensfeld

UIS, Inc. NYC. 88. Divorced, 1 daughter. Grew up Brooklyn. High school dropout, joined father's furniture company. Began UIS 1945 with purchase of small desk manufacturing company Shelbyville, Ind. Bought more small companies with growth potential. Eventually assembled 17, some turnarounds—Necco wafers, window manufacturer, auto parts—but claims preference for keeping management: "If something seems to work, it makes sense to keep on doing it." Revenues 1991 estimated $630 million. Still chairman, CEO. Very lean operation: 15 employees in New York HQ. Son-in-law Richard Pasculano executive VP. Owned through trust for daughter, grandchildren; believed worth some $350 million.

★

Michael Rubens Bloomberg

Financial news. 50. Married, 2 daughters. Johns Hopkins (engineering/physics), Harvard business school. Started 1966 as Salomon Brothers processing clerk. Within 5 years, became head of trading, sales; eventually lost power struggle, left 1981 with $10 million. Developed computerized information system for U.S. government bonds; offered to Merrill Lynch: "If you don't like it, don't pay me for it." Merrill liked it, bought 30%. "The Bloomberg" now used by thousands of traders for its vast arrays of instant data; claims world's fastest-growing news service. Plans all-business NYC radio station. Hot-tempered. "Sunday night is the happiest night of the week; I can't wait to get back to work." His stake estimated $350 million or more; he claims it's much lower. We knew of a buyer; he refused.

Sydney Mark Taper and family

First Charter Financial. Beverly Hills. 91. Widowed, 3 children. Born in Warsaw, educated in England. As child, peddled candy to schoolmates. Bought residential real estate firm at 27, built homes in England during the Depression. Frugal from early days: "In England we despised waste. Waste was evil." Retired by 37. Arrived California 1939 to avoid World War II, with about $1.5 million, real estate skills. During war built GI housing; quit business again. But witnessed California economy booming, founded First Charter S&L 1955; took public 1959. Closely controlled by tight-fisted Taper, company grew to third-largest thrift. Merged with Financial Corp. of America 1983. Cashed out; personal investments believed worth over $350 million.

James McGlothlin and family

Coal. Bristol, Tenn. 52. Divorced, remarried; 1 daughter, 6 stepchildren. Law school William & Mary. While practicing, ran small restaurant business. Founded United Co. 1970, coal strip mine with 11 employees; added mines during energy crisis. Nonunion contract labor. Survived 1980s price fall with lucrative long-term contracts from utilities, steel companies. Now one of lowest-cost U.S. producers. Recently began diversifying into oil and gas, real estate, financial services. Sold Dal-Tex, one coal division, April to competitor Ashland Coal for $253 million. Shares company with father, cousin. Likes golf, basketball. Wife: "If you want to see him, you have to keep up with him." Estimated net worth some $350 million.

Michael Robert Milken
Lowell Jay Milken ★
and families

Brothers. Investments, junk bonds. Michael: Federal Correctional Institute. Dublin, Calif. 46. Married, 3 children. Berkeley, Wharton M.B.A., to Drexel 1969. Conceived market for high-risk, high-yield "junk" bonds; in 1980s built into $200 billion industry. Salary, bonus $550 million for 1987 alone. Squealed on by Ivan Boesky, pleaded guilty to 6 felony counts (conspiracy, fraud, etc.); now serving 10-year sentence being reduced for cooperation with government; maintains he was scapegoat: "I've never traded or divulged inside information in my life." Paid $900 million in fines. Making approximately 30 cents an hour at prison labor to add to net worth estimated at $350 million, including trusts for wife, kids. Brother Lowell: Los Angeles. 43. Married, 3 children. Berkeley, UCLA Law School. Joined Drexel Burnham Lambert 1978, became Michael's behind-the-scenes right-hand man, tax planner. Involved in numerous partnerships with brother. Michael's deal with prosecutors on guilty plea: racketeering charges against Lowell must be dropped; government obliged. Lowell free, rich. Net worth believed to exceed $275 million; his lawyers deny it.

Russell Solomon

Records. Sacramento. 67. Separated, 2 sons. "A hippie who learned to run a business." High school truant; junior college dropout, worked in dad's drugstore. Went broke. Opened record store Sacramento 1960; San Francisco store 1968, then largest in U.S. Today Tower Records sales estimated around $600 million; also in England, Japan, Taiwan. Expanding

video and record stores together; also opening mixed outlets. Better profit margins with video. Simple concept: huge store, huge selection. Store managers free to pick some stock. "There are more than 300 buyers out there instead of 1 or 2." Also, Tower Books sales picked up last year. Constantly acquiring contemporary art: "I buy art like I buy records." Company valued at estimated $350 million.

Katsumasa (Roy) Sakioka and family

Real estate. Costa Mesa, Calif. 93. Married, 6 children. Very low profile. Youngest of six, emigrated from Japan 1916; eventually naturalized. Tenant farmer, interned WWII with other Japanese-Americans. Tired of rent, started buying farmland 1946; low down payment, worked off mortgages. Picked great locations, canny at getting good prices, mostly 1950s. Also at selling when California development reached his fields. First Los Angeles area, then Orange County, some worth $1 million per acre; 2,600 agricultural and commercial acres Ventura county. Land holdings are virtually debt free. Grandson George primary family spokesman; tight Japanese-American family very loyal to wealthy patriarch. Estimated worth at least $350 million, with family.

Robert Freeman Weis
Sigfried Weis

Cousins. Weis Markets. Robert: Sunbury, Pa. 73. Sigfried: Lewisburg, Pa. 76. Both married, 3 children each. Yale grads; grandfather opened Selinsgrove general store 1870, father developed as cash-and-carry store. Became Weis Markets 1947; Sigfried president and Robert VP. Expanded to 127-supermarket empire in 5 states, mostly Pa. Profit margin well above industry average; stringent control of cost and distribution: 1,800 private-label products for own stores. Sig: "We're guided by quality principles." Sales over $1.2 billion; profit rose steadily in 1980s, now squeezed a bit with economy, competition. Zero debt. Behind-the-scenes Robert has stock recently worth $345 million. Sig involved in central Pennsylvania medical center, construction of new children's hospital; stock recently worth around $300 million. Other family members hold stock worth approximately $185 million.

Leonard Litwin

Real estate. NYC. 76. Married, 2 daughters. Started in horticultural nurseries with father on Long Island, retains tree nurseries there. Branched out into apartment development. Pioneered postwar high rises on, near, Manhattan's York Avenue on Upper East Side; also invested in Queens apartment buildings, Manhattan offices (since sold). Prefers to stay out of public eye. "He operates like an old-fashioned real estate man." Now owner of 23 Manhattan properties, at least 3,800 prime units; didn't co-op: "Everybody who has a job in New York can't spend $500,000 on a co-op." Old-fashioned enough to keep rent low, so built nice fortune too, estimated $340 million. He demurs: "One of these days I'm going to make it."

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Grover Connell
Equipment leasing, food. Westfield, N.J. 74. Married, 3 children. Navy WWII. Took over family business, Connell Rice & Sugar, built into largest U.S. independent rice and sugar trader/broker. Once dominated foreign aid rice exports; U.S. export share now over 20%. Equipment leasing business from 1973 (railroad equipment, aircraft, power plants); now over $1.2 billion assets. Also owns prime N.J. real estate just outside Manhattan. Well-connected Democrat; reputation as one of largest donors of politicians' speaking honoraria. Charges of illegal activities with Korean wheeler-dealer Tong Sun Park dropped 1979. Lives modestly, sent kids to public school. Fortune estimated $340 million.

Floyd Dewey Gottwald Jr.
Bruce Cobb Gottwald
Brothers. Ethyl Corp.; Tredegar Industries. Richmond, Va. Floyd Jr.: 70. Bruce: 59. Both married, 3 sons each. Sons of Floyd Gottwald Sr. (d. 1982), office clerk who rose to president of Albemarle Paper Mfg. 1941; made blotting paper. Arrival of ballpoint pen dried market; sons merged with Ethyl Corp. 1962 to diversify; sold Albemarle assets. Federal lead-content regulations phased out Ethyl's main product, tetraethyl antiknock gas additive, 1979. Diversified into plastics, chemicals for computer chips, insurance, pharmaceuticals (makes ibuprofen). In July 1989 spun off plastics, aluminum, energy into Tredegar; headed by Floyd Jr.'s son John. Stock recently at $330 million. Bruce added title CEO Ethyl Corp. this year; stock recently at $310 million. When not diversifying, Floyd fishes; Bruce golfs and sails.

Sheldon Henry Solow
Real estate. NYC. 64. Married, 2 sons. Started as small-time builder, risked all on landmark Manhattan skyscraper 1972: "We're in barracuda land. You can only get away with this once." Result: 9 W. 57th Street, NYC's "bell-bottom" building with sloping glass sides and catchy red "9" sculpture on sidewalk, no longer the Avon Building. Gets premium rents for its great park views. "A building the Japanese would love." If they had the money. Also Manhattan office space, luxury residential properties; including 19th-century-style row of town houses. Known as fierce negotiator, litigious: "He's an impossible man." Respected collector of modern art. Press-shy. Net of known debt, worth estimated $330 million.

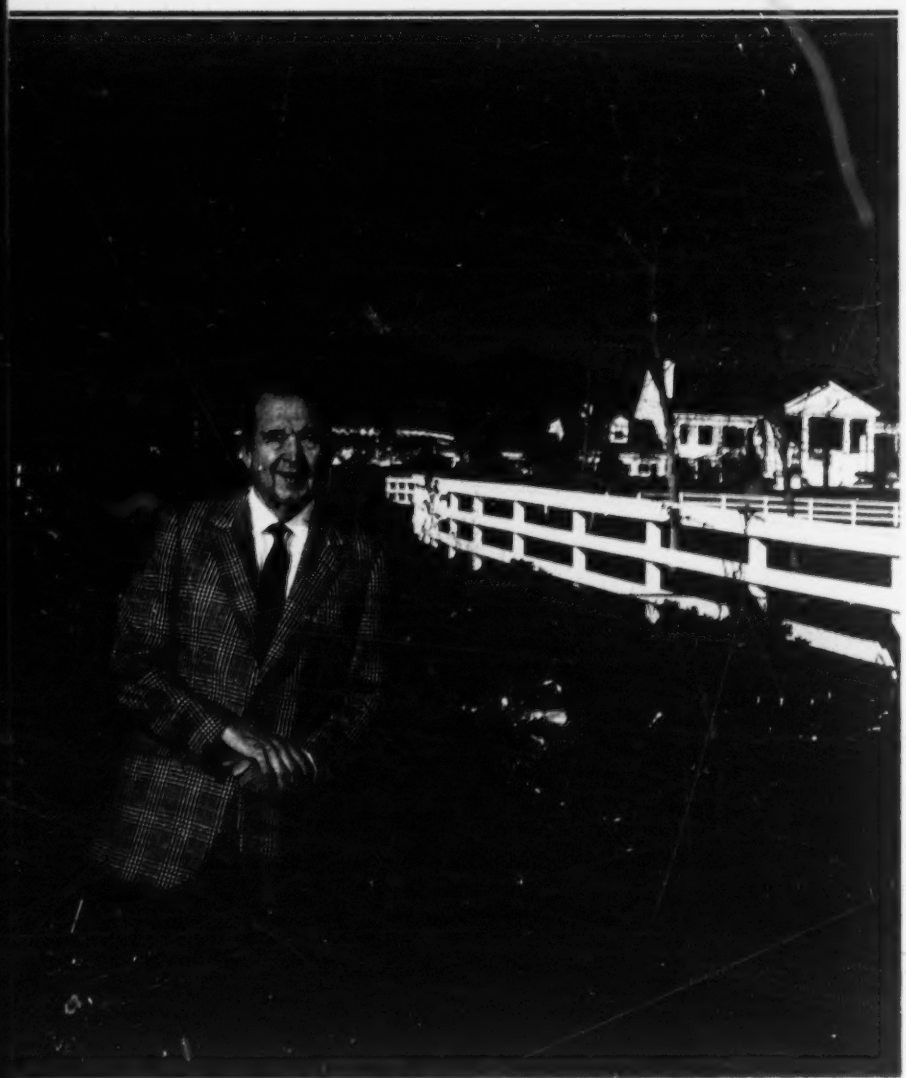
Kenneth Eugene Behring
Developer. Blackhawk, Calif. 64. Married, 5 sons, all in business. U. of Wisconsin dropout: football knee injury. Leased gravel lot $15/month, bought 27 used cars for $900; later pushed new Lincolns, Mercurys. Moved to Florida, considered real estate after $10,000 profit selling new house. Became developer; big success building city of Tamarac. To California 1972: 2,800-unit Blackhawk ("People wanted arrogance and he cornered the market on arrogance"), 3,300-unit Canyon Lakes; 5,000-acre site near Seattle; weathered environmental protests. Owner 75% (football) Seahawks. Big car collector; some donated to Berkeley. Planning to build Academy of Achievement museum. Estimated some $330 million amid real estate downturn.

Robert Einar Petersen
Publishing. Beverly Hills. 66. Married. Son of Calif. auto mechanic; worked as short-order cook, pumped gas; turned hobby into magazine with $400 and partner: hawked Hot Rod for 25 cents at races 1948. Bought out partner 1950, expanded Petersen Publishing. Now 15 monthlies (Motor Trend, Guns & Ammo, Skin Diver, etc.), 6 bimonthlies. Bought Sport magazine 1988. First man to bag polar bear with revolver, 1965. "It was shoot or be fatally mangled." Pursues what his magazines cover—"Except for Teen." Founded Petersen Automobile Museum, LA, with $15 million. "We're a good medium for a lot of what advertising is—beer, cigarettes, cars, all those good things." Also good for over $325 million.

Mark Shaw

Developer William Lyon with two of his antique cars
Once the nation's largest home builder, Lyon has fallen on tough times. With California real estate down 30%, his heavy debt knocked him off The Forbes Four Hundred this year. He's even put his beloved car collection—one of the best in the country—up for collateral.

Armas Clifford Markkula Jr.
Apple Computer. 50. Woodside, Calif. Married, 2 children. B.S. electrical engineering, USC. Worked in Hughes Aircraft R&D; marketing manager Fairchild Semiconductor; Intel Corp. marketing manager. Persuaded by two computer wizards, Steven Jobs and Stephen Wozniak, to line up venture capital to start Apple 1976. Named chairman 1977, CEO 1981; stepped aside for John Sculley 1983. Still vice chairman. Cofounded Echelon Corp. 1985; invented computer chips that talk to one another. "The utopia for Echelon is that you'll be able to walk into any hardware store and any gadget you buy will



have one of our chips embedded in the base." Avid skier. Investments, Apple stock total $320 million.

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Sharon Disney Lund and family

Walt Disney Co. LA. 55. Widowed, remarried; 3 children. Adopted daughter of Walt Disney (d. 1966), cofounder Disney studio with brother Roy O. 1923. Mickey Mouse appeared 1928; rest history. Walt Disney Co. now global entertainment power: theme parks, cartoons, movies, Disney Channel, Disney Stores, etc. Sharon's older sister, Diane Disney Miller, and husband sold or donated shares after Bass brothers *(which see)* investment, 1984 takeover by Michael Eisner, Frank Wells. Walter's family formed media, real estate company Retlaw Enterprises, now worth about $50 million. Disney stock zoomed. Diane and family worth about $87 million. Mother Lillian, very private person, still worth at least $220 million after gifts, transfers. Sharon, who kept most stock, estimated $320 million. On Walt: "We weren't raised with the idea that this was a great man. He was Daddy. He went to work every morning. He came home every night."

★

Richard Paul Simmons

Allegheny Ludlum. Sewickley, Pa. 61. Married, 2 children. Father ran small Bridgeport, Conn. gas station. Studied metallurgy MIT. Father died; borrowed to finish school; graduated 1953. Joined Allegheny Ludlum; left for Republic Steel, became industry's youngest assistant plant manager. Survived perforated ulcer 1968. Back to Allegheny; president 1972. Led LBO specialty steel unit 1980. Survived recession, Rust Belt decline, 21% interest rates: Cost control, information systems, troubleshooting: "We were ahead of our time with the Tactical Business Teams." Went public 1987. Major producer stainless steel. His shares recently $315 million. "All I wanted to do was turn out good products." And survive.

Orvon Gene Autry

Broadcasting, baseball. LA. 85. Widowed, remarried; childless. Reared Texas, learned to ride, rope on Oklahoma ranch. Telegraph operator, railroad work out of high school, CPA. On advice, became "Oklahoma's Yodeling Cowboy." "Barefoot, cotton-chopping farm boy" made records, Westerns; CBS radio show 1940-57. Biggest hit song: "Rudolph the Red-Nosed Reindeer." Only person with 5 stars on Hollywood's Walk of Fame. Bought radio station 1952. Later added, then sold radio/TV stations, built fortune. Still has 4 radio. Bought Calif. (baseball) Angels cheap 1960. Married banker Jacqueline Ellam 1981; she oversees business interests, investments, Palm Springs hotel. Estimated $315 million.

★

Roberto Crispulo Goizueta

Coca-Cola Co. Atlanta. 60. Married; 2 sons, 1 daughter. Son of wealthy Cuban sugar farmer; Yale honor student. Answered Cuban newspaper ad for bilingual chemist at Coca-Cola, 1954. Fled Castro's Cuba 1961 with wife, kids, $20, "I wanted to see if I was worth anything or was just my father's son." In 1970s rose from lab to protégé of Coke patriarch Robert Woodruff (d. 1985). By 1981, chairman, CEO of slowing company. Accepted Pepsi challenge, aggressively pushed growth; "He just flat enjoys the game." Intense, detail-oriented, courteous, private; never dropped Cuban accent. Accumulated stock, restricted stock, options along the

way: present value estimated $315 million.

James Emmett Evans and family
Citrus. Dade City, Fla. Highlands, N.C. 92. Widowed, divorced; 2 children. Former Georgia Ford salesman, went to Florida with $500. Purchased first orange grove mid-1920s; became mayor Auburndale 1925. Since, minded business: built to over 33,000 acres orange, grapefruit groves; one of largest independent growers. All oranges to Tropicana, most grapefruit to Japan. "Older than dirt and meaner than a snake." Nicknamed "The Wheel," as in wheeling and dealing. Still in charge: "I love the fruit business. It's what keeps me living." Both children, 2 grandsons active in business. Gave up golf, plays gin rummy at his house with same card-playing pals for 40 years. Worth at least $310 million, and counting.

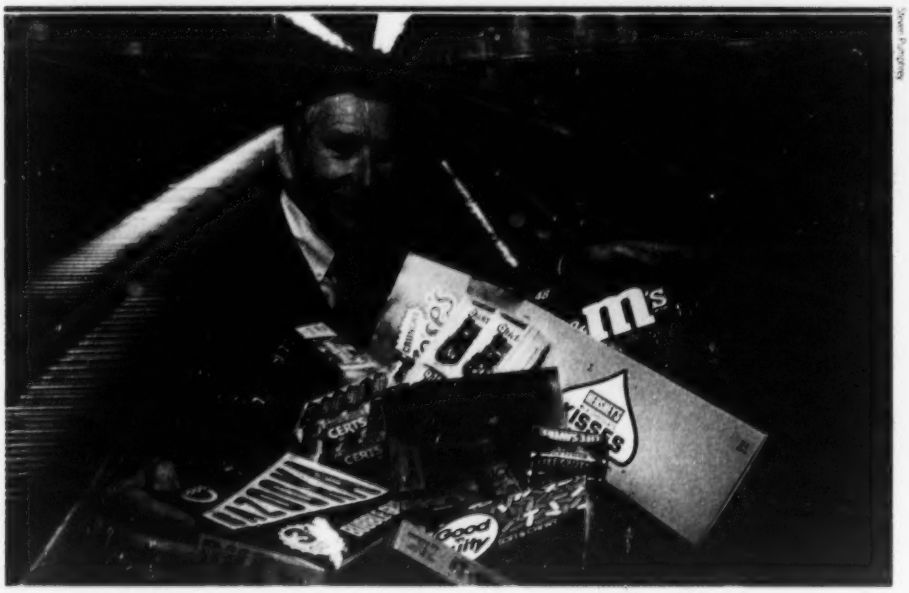
Virginia McKnight Binger
Inheritance. Wayzata, Minn. 76. Married, 3 children, 1 deceased. Only child of William McKnight, South Dakota farm boy who climbed then-tiny 3M's corporate ladder from bookkeeper 1907, to run company 1916; died 1978, left $500 million fortune to foundation, daughter. Virginia honorary chairman $1 billion McKnight Foundation; has own foundation, VMB, for Minneapolis poor: "We're trying to solve something in this world." With husband James (ex-Honeywell CEO) runs Broadway's Jujamcyn Theater chain. Golf course/condo development on Florida horse farm on hold until economy picks up. "Every day is different because I have so many interests." Her 3M stock, etc., worth over $310 million.

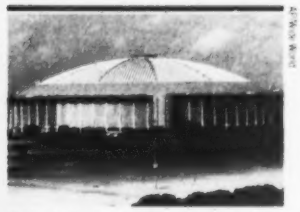
Michael Dell
Dell Computer. Austin, Tex. 27. Married, 1 daughter. As teenager, ran stamp and coin auctions on weekends, sold newspaper subscriptions to targeted audience, newlyweds. Sold hard-drive kits for IBM PC out of dorm room. Dropped out freshman year, launched own company at age 19. Transformed selling, servicing, pricing of IBM-compatibles: handled by phone, catalogs at cut-rate prices. Hired engineers to build inexpensive IBM clones. Perot buddy Mort Myerson lent advice. Went public 1988. "I don't think our machines are significantly better, but I know we support them better. If a customer has a problem, we hear about it, so we can solve it." His shares recently worth $310 million.

Software entrepreneur John Jay Moores
Receive and you shall give? Moores has written checks totaling more than $60 million to the University of Houston, until recently the largest gift to a public university.

Ernest Gallo
Julio Gallo
Brothers. Wine. Modesto, Calif. Ernest, 83; Julio, 82. Each married, 2 children. Italian immigrant father Joseph bought 230-acre Modesto vineyard 1930s for end of Prohibition; financially squeezed, killed wife, self 1933. Six weeks later sons went to public library, read winemaking pamphlets, started pressing with $5,900; sold wine at 50 cents per gallon; later gained significant market advantage with vertical integration. Chairman Ernest stormed distributors with Gallo products; considered marketing genius. Thunderbird first major success: connoisseurs rejected, winos didn't. Constant effort since to upgrade product image; tore through ad agencies; recently introduced super-premium selections. Ruthless businessmen: sued younger brother Joseph, dairy farmer, for putting family name on cheese; Joe countersued for one-third of winery, claimed brothers wrongly excluded him, lost both fights. Julio still makes the wine, Ernest still sells it ("I have no better place to go"). Long-reputed vast stock portfolio, never confirmed. Brothers split fortune estimated well over $600 million.

Willis Harrington du Pont
Edith du Pont Pearson
and families
Inheritance. Surviving children Lammot du Pont (brother and key associate of Pierre; *see family*), president Du Pont Co. 1926-40, chairman 1940-48; d. 1952. Edith (Mrs. George Burton Pearson Jr.): Montchanin, Del. 80. Widowed, remarried; 5 children by first marriage. Husband retired Delaware judge. Willis: Palm Beach, Fla. 56. Married, 3 children. Son of Lammot's fourth wife (other siblings by first). Citrus,





Robert Drayton McLane Jr. is all smiles after selling his food distribution business to Wal-Mart in 1990

So why not spend the proceeds? This year McLane will acquire the Houston Astros and the master lease to the Astrodome in a deal that will cost him over $100 million.

banking investments in Florida. Brother Pierre S. du Pont III (d. 1988) lost small fortune backing movies, was father of Pierre S. IV, former governor Delaware, onetime presidential candidate. Edith, Willis, with families, share fortune believed to exceed $600 million.

★
Peter Ackerman
Junk bonds. London. 45. Married, 2 sons. Colgate, Fletcher School of Law and Diplomacy (Ph.D.). Married novelist Joanne Leedom 1972, now subscribes to Christian Science. Joined Drexel 1973 after "failing at quixotic effort to improve Third World living standards." Miscast academic finally became Mike Milken's special projects man 1978, Beverly Hills junk bond unit; transformed to "sleek, blue-suited Turnbull & Asser deal machine." Salary and bonus $165 million 1988, for RJR Nabisco deal. "Teflon guy" quit just before Drexel bankruptcy. Allegedly paid out $80 million in civil settlement. With stakes in more than 100 Drexel partnerships, worth over $500 million; if he pays his taxes, still above $300 million.

Bernard Gerald Cantor
Securities brokerage. Beverly Hills, NYC. 75. Divorced, remarried; 1 son. Raised in Bronx; "Bernie" sold hot dogs in Yankee Stadium. Founded Wall Street's Cantor Fitzgerald 1945. Built specialized brokerage—government, corporate, muni paper. Revenues estimated $120 million; highly profitable. Competitor: "He's the only government bond broker who deals with retail." Owns 72%. Had Telerate stake, sold 1981 for $80 million: would be worth over $1 billion today. No regrets. Major collector Rodin, etc. Information hound. Dealmaker. Investigated by SEC in outgrowth of Salomon Brothers bond market-fixing debacle. Cooperated fully. Believed worth over $300 million; may be $400 million.

Norman E. Alexander
Sequa Corp. Scarsdale, N.Y. 78. Married, 4 children. Son of South Bronx clothing manufacturer. Columbia Law School. Joined father in Depression. On own postwar, founded movie reissuer. Sold 1950: "It was a good business, I shouldn't have sold." Next, organic pigment firm, merged into Sun Chemical 1957; took control. Sold pigment and ink units 1986. Chromalloy American acquired 1986: aerospace, machinery, specialty chemicals. Renamed Sequa 1987; added military aerospace 1988. Focusing on high tech: jet engines, propellants and rocket motors, specialty chemicals. Also owns Ampacet, private plastics color concentrate company; 1991 sales: $200 million. Estimated $300 million or more.

Howard Butcher Hillman
Tatnall Lea Hillman
Inheritance. So-called robber baron John Hartwell Hillman Jr. (d. 1959) adopted both when he married Dora Keen Butcher (d. 1982); step-brothers of Henry Hillman *(which see)*. Adopted sons inherited one-third vast Hillman empire—coal mines, blast furnaces, banks, real estate, etc. Henry bought some of portion; brothers currently hold 20%. Howard: Greenwich, Conn. 58. Married, 2 children. Majored economics, Princeton 1956. Navy. Harvard M.B.A. 1960. Stint at Chemical Bank, in which family once had large interest. Venture capitalist, invests through Taconic Group. Tatnall: Radnor, Pa. 54. Divorced, 4 children. Majored biology, Princeton 1959. Navy. Taught science Princeton Day School; now self-employed computer programmer/analyst. Supports conservative causes. Brothers' share of Hillman fortune estimated at least $300 million each.

Robert Boisseau Pamplin Sr.
Robert Boisseau Pamplin Jr. ★
and family
Textiles. Robert Sr.: Portland, Ore. 80. Married, 1 son. Once penniless, rose to CEO of Georgia-Pacific. On

day of mandatory retirement bought tiny Ross Island Sand & Gravel—base for today's $570 million (sales) R.B. Pamplin Corp. with 17 textile mills: "It's not that we were interested in textiles, it's that they were more undervalued than anything else." Also real estate. "It's just a lot of fun and the good Lord has been very rewarding to us." Only son Bob Jr., Lake Oswego, Ore. 50. Married, 2 daughters. Ordained minister, gave speech at Pentagon on ethics; runs firm with father. Beat cancer: "God has loaned me the ability to be successful." Donates about 10% pretax corporate net to charity; father, son avid hunters. Fortune worth estimated $600 million or more.

Fitz Eugene Dixon Jr.

Inheritance. Lafayette Hill, Pa.; Palm Beach, Fla.; Winter Harbor, Me. 69. Married; 1 son, 1 daughter. Primary heir of 2 great-grandfathers: streetcar magnate P.A.B. Widener (d. 1915; reportedly worth $100 million), William Elkins (d. 1903; reputedly $30 million). Harvard dropout, taught over 16 years at his prep school, Episcopal Academy, "the happiest days of my life." Philanthropist, especially medicine, education. Mostly in blue-chip stocks, bonds; also much real estate, including Grindstone Neck, Me., resort where he was born. Owns 16% of Philadelphia (baseball) Phillies. Wears emerald ring grandfather George (d. 1912 Titanic) gave to wife as she stepped into lifeboat. Estimated worth some $300 million.

Richard Prosser Mellon
Seward Prosser Mellon
Cassandra Mellon Milbury

Brothers and sister. Inheritance. Ligonier, Pa. Surviving adopted children of Richard King Mellon, dominant businessman in family of his generation, grandson of Judge Thomas Mellon *(see Mellon family)*. "R.K." guided family empire from 1930s to death 1970. Seward: 50, divorced, remarried; 2 daughters by first wife. Trained in trust department Mellon Bank after Susquehanna U., now director; also president family investment firm R.K. Mellon & Sons. Richard (Dick): 53. Divorced, remarried; 2 sons. Tried banking, left to pursue conservation, oceanography; Chairman Richard King Mellon Foundation. Cassandra (Mrs. Edwin Van R. Milbury): 52. Widowed, remarried; 2 children by first marriage. Active in philanthropy, civic affairs. Beneficiaries of trusts on 1980 death of mother Constance. Combined fortune approximately $900 million.

Timothy Mellon
Catherine Mellon Conover

Siblings. Inheritance. Grandchildren of financier, empire-builder Andrew Mellon (d. 1937), children of Paul *(which see, also Mellon family)*. Tim: Manchester, N.H. area. 50. Divorced, remarried; 1 stepdaughter. Started computer programming firm 1969. Cofounded company to pressure-treat railroad ties 1977. Acquired Guilford Transportation for $50 million: 4,700-mile track composed of old New England railroads. Added 1,000 miles unwanted Norfolk & Southern track after unsuccessful bid for Conrail. Countersuits with CSX over freight charges, Guilford's financial health; also union policies created ire on all fronts: labor, politicians and allegedly federal inspectors; Chapter 11 1988 for subsidiary Delaware & Hudson Railway. Catherine: Washington, D.C. 56. Twice divorced (uses mother's maiden name). Three children by first husband John Warner (later senator). Divorce settlement: he got $9 million, houses. Catherine antiwar activist, environmentalist. Each received $100 million trust from grandfather; father Paul says they have enough, will get no more from him. No problem: through conservative investing, each worth $300 million or more today.

Houston's own Joseph Dahl Jamail Jr.

This self-styled "goddam good sore-back lawyer" says he made $180 million (pretax) last year. If so, nearly 40% came from investments, mostly seeded from the $420 million fee received from his 1987 Texaco-Pennzoil case. Will he be the first to make a billion from the practice of law?

Lavinia M. Currier
Michael S. Currier
Andrea Currier

Sisters and brother. Inheritance. Grandchildren of Ailsa Mellon Bruce, great-grandchildren of Andrew Mellon *(see Mellon family)*. Parents Audrey Bruce Currier and Stephen Currier died plane crash Bermuda Triangle 1967. Kids recipients generous trusts. Paternal grandfather David K.E. Bruce served as ambassador to 4 countries; Congress adjourned early on wedding day 1929. Lavinia (Vinnie): The Plains, Va. 35. Single. Jet-setter with country lifestyle on country estate (Kinloch Farms). Michael: NYC. 31. Single. Active in family investments, philanthropies. Andrea: The Plains, Va. 36. Divorced, remarried; 2 children. Operated swanky restaurant 1980s. Lives with husband on Kinloch Farms, uses family name. Each sibling's fortune (mainly in trusts) estimated to be $300 million or more.

Stanley Stub Hubbard

Broadcasting. St. Mary's Point, Minn. 59. Married, 5 children. Father Stanley Eugene, 95, founded first (but unsuccessful) U.S. commercial airline. Built one of Minneapolis' first radio stations 1923, added television 1948: that business grew steadily. Stanley Stub took over after dad's stroke 1981. Now 9 TV, 2 radio. Invested more than $100 million in All News Channel joint venture with Viacom; also U.S. Satellite Broadcasting Co. Looks to future: investing in direct broadcast satellite TV-direct satellite feeds to homes, using 18-inch dishes costing $700 to start. "It's going to be [early] television all over

again." Sons Stanley E. II, Robert VPs. Avid sailor, though says he's constantly on the run. Estimated over $300 million.

Dwayne Orville Andreas and family

Archer-Daniels-Midland. Bal Harbour, Fla. et al. 74. Divorced, remarried; 3 children. Dropped out of Wheaton College (Illinois) to join family grain business 1936. Sold some assets to Cargill 1947 anticipating draft; not called, joined Cargill. Invited into ADM $3.3 million deal 1965. Chairman 1970, CEO 1972. ADM now $8.5 billion (revenues) world commodities giant. Chairman 8 years of U.S./Soviet Trade Commission; friends with Yeltsin: "A far greater statesman than most Americans give him credit for." On aid: "The worst thing that can possibly happen to the West is for [Russians] to generate the attitude, 'Well, we tried capitalism and it failed.' " With son, $300 million ADM stock.

Marshall Edison (Doc) Rinker Sr. and family

Concrete. Palm Beach. 87. Widowed, remarried; 3 sons. Nicknamed "Doc" after close family doctor; arrived Florida in Model T "flat broke." Founded Rinker Rock & Sand Co. 1926. Lifelong devotion to work: 12-hour workdays standard. Slow start, eventually built largest Florida supplier ready-mix concrete. Son became president 1982; left 1983. Sold out to Australian CSR Ltd. 1988 for $515 million; Rinker had 71%. Now travels about 2 months a year. "If you've got the money, you might as well use it. There's no sense riding in tourist." Doc still consultant to old firm, invests portfolio believed over $300 million: stocks, tax-free bonds, but no real estate. "It's just too damn much trouble to deal with."

Saul Philip Steinberg

Financier. NYC. 53. Twice divorced, remarried; 6 children. Finished Wharton 3 years, age 19. Founded computer leasing firm Leasco 1961 with father's $25,000; went public 1965. Took over Reliance Insurance 1968, failed run at Chemical Bank 1969. Took Reliance private 1982 for $550 million, public again 1986. Played junk bond market mid-1980s. Saul, members of family, trust, own 79% Reliance; he and his brother paid millions in salary, etc. Reliance feeling weight of debts, planning to put mortgage insurance company on block. Sizable art collection in Park Ave. apt. that was formerly owned by Rockefellers: Old Masters, photorealists, sculptures. Active in New York social whirl, usually on diet. Stock shrinking, but fortune still believed $300 million or more.

★

William Henry Cosby Jr.

TV, entertainment. 55. Amherst, Mass.; NYC; LA. Married, 5 children. Philly childhood, quit Temple U., became comedian: on *Tonight* show within year. First black co-star on network TV: *I Spy*, 1964, 3 Emmys. Then, kid market: guest *Sesame Street*, *Electric Company*, creator *Fat Albert* cartoon. Well-paid pitchman: JELL-O, Coke, Kodak, etc. Back on prime time with *Cosby Show* 1984: huge ratings. Syndicated reruns earn $1 billion; Cos gets one-third. Also bestsellers: *Fatherhood*, etc. Vegas circuit, concerts, records. Reviving Groucho Marx's *You Bet Your Life*. Later awarded Temple degree, U. of Massachusetts Ph.D.; gave $20 million to Spelman College, noted black college (daughter's alma mater). Net worth at least $300 million.

Bill Cosby, new $300 million man

An entertainer on this list has to have a businessman's piece of the action, not just a star's salary and perks. The Cosby Show proved the most lucrative sitcom in TV history. His remake of You Bet Your Life is appearing nightly.

William Alvin (Tex) Moncrief Jr.

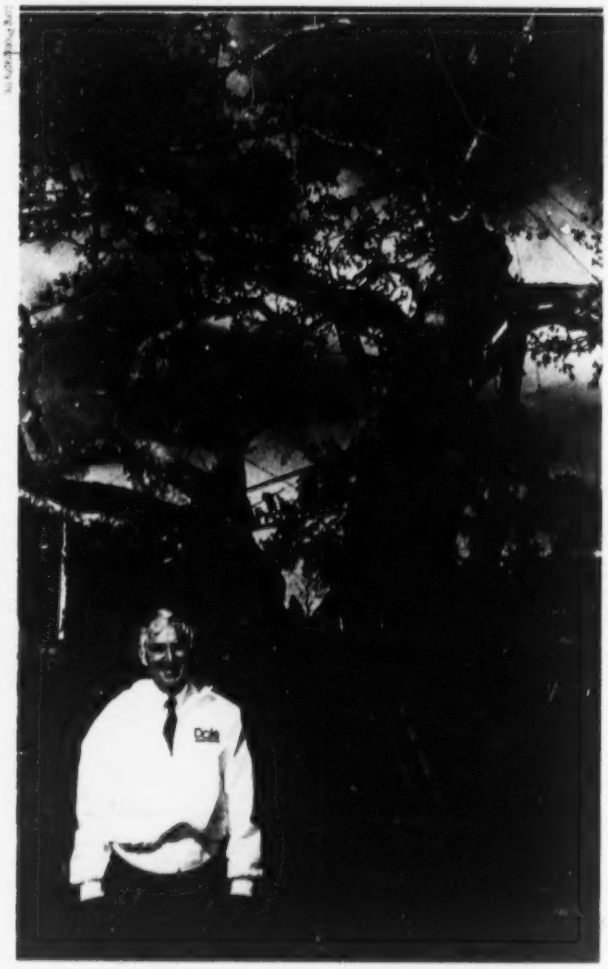
Oil and gas. Fort Worth. 72. Divorced, remarried; 4 sons, daughter. Son of legendary Texas-born wildcatter W.A. (Monty) Moncrief. Had 4 years of dry holes, then blew one out on northernmost extension of vast east Texas field 1931. "My father had a nose for oil." Tex joined father 1945; Dad coached Tex on deals. Sr. died 1986; left estate to grandchildren. Tex continued on; "awesome" gas find in Wyoming: Madden Field (at least 500 million cubic feet in reserves) 1972. Also other big finds. Never takes long vacation but relaxes on 100,000-acre Colorado ranch, plays golf with fellow oilman John L. Cox. One million dollars to U. of Texas cancer center 1991. Fortune believed over $300 million.

B. Francis Saul II

Inheritance, banking, real estate. Chevy Chase, Md. 60. Married, 5 children. Heir to Washington, D.C. real estate company founded by grandfather 1892. Formed B.F. Saul REIT 1964; took private 1988; rough years since. Started Chevy Chase Federal Savings Bank in trailer (still in place) at shopping center 1969; now one of largest consumer banks in Maryland; 80% owned by Saul's REIT—S&L assets accounted for 93% of REITs consolidated assets 1990. His 2 sons fourth generation in family business; one faced insider trading charges 1991. Owns dozen or more real estate, financial operations. Stays well out of public eye. Fortune believed over $300 million. "Be conservative; build long-term values."

Richard E. Jacobs

Shopping centers. Lakewood, Ohio; NYC. 67. Divorced, 3 children. Raised Akron, father sold Goodyear blimps. Dick, brother Dave, sold real estate after WWII; assembled sites for then-fledgling mall developer Edward De-



David H. Murdock, chairman of Dole Food

Murdock is dedicated to preserving the trees on his 2,000-acre tract in high-class Thousand Oaks, Calif. Since the late 1980s more than 1,000 have been moved. "It's a low-tech job," says a spokesman. "We prune the tree, build a box around it, we pick it up with a 50-ton crane and move it."

Bartolo. With partner Dominic Visconsi, built mall Columbus, Ohio 1962; now over 40 malls, more than 40 million square feet nationwide. Visconsi no longer financially involved. Also 31 Wendy's franchises (mostly NYC area), Marriott hotels, Cleveland (baseball) Indians. New building in downtown Cleveland, plans to operate city- and county-built baseball stadium 1994. Brother/minority partner Dave handled construction, died Sept. Dick's estimated worth $300 million.

Aaron Spelling

Television. Holmby Hills, Calif. 69. Divorced, remarried; 2 children. Dallas-raised son of Russian immigrant. High-strung: nervous breakdown age 8. To LA 1953 as writer, actor. First success 1968: *Mod Squad*. Hits throughout 1970s, 1980s: *Dynasty, Love Boat, Fantasy Island, Charlie's Angels*, etc.; all on ABC—"Aaron's Broadcasting Co." Took production company public 1986, acquired by Carl Lindner *(which see)* 1989. Sold out to Lindner 1991, still works for company. After dry spell, hit 1990 with *Beverly Hills, 90210* (daughter Tori a co-star). Three or 4 new shows this fall (none on ABC). Blew some $50 million on Holmby Hills supermansion, but net worth still estimated about $300 million.

Michael Robert Forman

Real estate, movie theaters. 57. Bel Air, Calif. Divorced, remarried; 2 sons, daughter from first marriage. Father started drive-in empire 1940s; bought vacant land for theaters near soon-to-be-completed Los Angeles freeways: land eventually perfect sites for shopping centers, etc., appreciated several hundredfold. Later expanded into walk-in theaters around California, elsewhere. Died 1981. Son Michael, very private, reportedly philanthropic, passed active management of family fortune to money manager Jim Cotter. Many properties still movie theaters, but with Cotter's canny investments (hired for about 20% of profits), Forman believed worth $300 million.

Franklin Parsons Perdue

Chickens. Salisbury, Md. 72. Twice divorced, remarried; 4 children from first marriage. Quit teacher's college to join father's egg business. Switched to broilers 1940; post-WWII chicken boom put many feathers in company coffers. Added feed, processing; created one of first integrated chicken operations; then built industry's first brand name with clever advertising: "It takes a tough man to make a tender chicken." (So tough he met with NYC godfather Paul Castellano to block union organizers 1980.) Perdue nation's fourth-largest chicken-plucker, 1991 sales $1.1 billion. Brand name widens margins. Son James runs company, but Frank still pitchman. Frank's 90% believed to be worth at least $300 million.

Daniel Crow Searle
William Louis Searle
Susanne Searle Dixon

Brothers and sister. Inheritance. Great-grandfather Gideon Daniel Searle bought small Indiana drugstore 1868, built early drugstore chain; began making pharmaceuticals as G.D. Searle & Co. 1888. Extremely profitable under grandson John, president 1936-66. Introduced Dramamine and the first oral contraceptive, etc. Doubted sons' abilities: attempted mergers to acquire management, failed. Daniel: Winnetka, Ill. 66. Married, 3 children. CEO 1966-77. Disastrous buying spree: "Few matched Searle in picking losers." FDA probe hurt company image. Hired former Defense Secretary Donald Rumsfeld to clear up mess 1977. Rumsfeld and discovery of aspartame (Nutrasweet) saved company. Sold out to Monsanto 1985. William: Lake Forest, Ill. 64. Married, 3 children.

Daniel Terra with wife, Judith, at his new Musée Américain Giverny (just outside Paris) **The locals don't like the traffic, and it's hard to imagine much Gallic pride in a display of American paintings when Claude Monet's old house and garden are just up the road.**

Suzanne: Lake Forest. 61. Married, 3 children. Money now diversified, includes some (managed) venture capital. Their share proceeds from sale, etc. estimated total $900 million.

★
Jennifer Johnson Duke
James Loring Johnson
Princeton, N.J. Two youngest children of John Seward Johnson (d. 1983). Father inherited portion of Johnson & Johnson pharmaceuticals empire and set stage for enormous 1986 legal battle between his children and third wife and principal heir Barbara Piasecka Johnson *(which see)*. Jennifer and James each received $6.2 million from Dad; their main wealth from 1944 family trusts, holding J&J stock. Neither believed to have sold. Jennifer: Jacksonville, Fla. 51. Divorced, remarried; 2 children from first marriage. Second marriage to furniture designer Joseph Duke. Portrait photographer. Untouched trust worth some $300 million. James: Hunterdon County, N.J.; Long Island, N.Y. 47. Married; 2 children, 4 stepchildren. Operates farm; painter. Trust worth some $300 million.

William Edward Marits
and family
Business services. St. Louis. 63. Divorced, 4 children. Grandfather Edward F. Maritz began making watches 1894. Father James, to boost Depression sales, convinced businesses to use watches as employee performance incentives. Soon abandoned watches, focused on selling motivation services. Bill, driving force since early 1960s; chairman, CEO 1983; with sister controls 100% voting stock. Now sells performance improvement to Forbes 500 companies, including IBM, big three automakers. Also business travel services (vacations outmotivate watches), market research. Hard-hit by recession: Revenues steady $1.2 billion, but earnings down sharply 3 straight years. Rebound hoped for. Weakened by recession, company still estimated at $300 million or more.

Robert Charles Joseph
Edward Sabatini Guccione
Publishing. NYC. 60. Twice divorced, remarried; 5 children. Brooklyn-born accountant's son. At 18, traveled Europe drawing portraits, telling fortunes. With few thousand from father, started U.K. mail-order sales of U.S. girlie magazines, pinups. Launched Penthouse London 1965, U.S. 1969: grittier, more pubic, more European than Playboy. Later, Omni, Longevity, Four Wheeler; bought Saturday Review, Compute!, 3 automotive trade magazines. Valuable collection impressionists, some Old Masters. Extravagant NYC townhouse (silver-lined swimming pool); 67-acre estate; Atlantic City holdings. But Penthouse sales fall as baby boomers age; men's faces replacing women's skin on covers. Estimated around $300 million.

Malcolm Austin Borg
Publishing, TV. Englewood and Spring Lake, N.J. 54. Married, 3 children. Grandfather John wealthy Wall St. stockbroker, bought into Bergen County (N.J.) Record 1922; wholly owned by family since 1930. Considered best-written daily in state: "You can't have quality without putting money into it." From small country daily to suburban powerhouse. Mal-

colm took over 1971; brother sold out amicably 1982. Macromedia Inc. also owns Woodbridge (N.J.) News-Tribune, 4 CBS affiliate TV stations. Children: John, 30, chief operating officer for Hong Kong Standard; Jennifer, 27, NYC attorney; Stephen, 24, learning TV. "People may consider me fat, dumb, lazy—and happy." Estimated $300 million.

Dean Stanley Lesher

Newspapers. Orinda, Calif. 90. Married; 3 children, 2 daughters in business. Doctor's son; U. of Maryland, Harvard Law. Kansas City trial lawyer 14 years (Harry Truman: "most expensive Republican lawyer in town"). Saw newspaper clients "seemed to be doing exceptionally well. I thought the Lord pointed a flaming finger in my direction." Moved to California, consulted with newspaper broker, bought first paper March 1941. Then, WWII newsprint shortage: "I sat there and bawled like a baby." From low point, built slowly to 11 dailies, 29 weeklies. Lord's flaming finger sent dramatic growth to Bay Area-Sacramento corridor; now over 440,000 total circulation. Worth estimated $300 million or so.

The model prisoner. **Michael Milken will likely be released from minimum security prison camp in Dublin, Calif. by March 1993. Milken's actual prison time would be 24 months out of the original ten-year sentence. When reducing the sentence, U.S. District Court Judge Kimba Wood cited Milken's cooperation with prosecutors and status as a "model prisoner."**

Robert J. Congel

Shopping malls. Fayetteville, N.Y. 57. Married, 5 children. Son of Syracuse construction superintendent. Fordham 1958. Won $13,000 water pollution control contract; dug cellars a.m., laid pipe p.m. First shopping center 1973. Now majority partner Pyramid Co., largest mall builder in Northeast. May kick out tenants who fail to meet sales targets; fights politicians, environmentalists, local merchants to build; usually wins. Dominant in western New York state in mall market. Bought Bonwit Teller 1990 as name anchor tenant. Also has some Syracuse office space. Wife, chil-

Is there a way for operating costs in

EDS helped River Forest Bancorp answer yes.

Information technology applications developed and managed by EDS help River Forest Bancorp save $1 million a year in operating costs. The **holding company has used these savings to rapidly expand** its business through acquisitions. And improvements EDS made to the bank's systems are helping customers get better, faster service. As a result, deposits increased by $275 million from 1990 to 1991. In addition, River Forest's **stock price rose nearly 40% during 1991** and more than 250% since 1988.

EDS quickly converted the systems used by the three banks

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dren share trusts, active in company. Congel: "I don't hardly own anything." "Hardly anything" worth estimated $300 million.

Claude B. (Doc) Pennington and family

Oil, gas. Baton Rouge, La. 92. Married; only son killed in oil rig accident 1958, 3 grandchildren. Labored summers in Louisiana oilfields. Joined father's medical practice 1925 as optometrist; closed clinic day after father's death; returned to oilfields. On leased land, made first known oil discovery east of Atchafalaya River; traded leases, bought Port Hudson properties mid 1950s; deep drilling began 1970s. Local banks' favorite depositor: over $100 million cash. Nutrition enthusiast, donated $125 million to LSU for nutrition center; ardent believer in peanut oil, vitamins E and C. "Someday I'm going to be an old man. I'd like for science to know how to prolong my health." Believed worth youthful $300 million or more.

★

Bruce Kovner

Trading. 47. NYC. Married, 3 children. Aspiring political science professor had writer's block on Harvard dissertation. Drifted 6 years: drove cab, studied harpsichord at Julliard. At 31 sought steady work in financial markets. Read textbooks; reportedly put $3,000 of trading on MasterCharge: $40,000 paper profit on third trade; didn't hedge, lost $23,000 in a few hours. "I didn't eat for days." Joined Commodities Corp., learned from veteran trader Michael Marcus. Started Caxton Corp. 1983. Stunning returns: 87% in 1985, 98% in 1987. Today around $1.5 billion managed for fee plus estimated one third profits. Thinks info essential: chats up decision makers, owns tankers to gauge oil market. Supersecret. May be worth some $300 million.

John Quentin Hammons

Hotels. Springfield, Mo. 70. Married, no children. Taught school, worked on Alaskan highway; Navy WWII. Postwar began concrete products business; went bust 1948, leaving him $57,000 in debt. Undeterred, started building apartments, shopping centers; cleared debt in 18 months. With partner Roy Winegardner, purchased Holiday Inn franchises beginning 1959. After building 31 hotels, sold for HI stock 1970; then kept on building. Today, maintains 88 inns, 5 Embassy Suites, and still going. Strategy: situate hotels in recession-proof university towns, state capitals: "In the 1980s we had glitzy players going into glitzy cities to do their acts. Not me." It worked; net worth estimated more than glitzy $300 million plus.

Melvin Simon

Shopping centers. Indianapolis, etc. 66. Divorced, remarried; 5 children. Brooklyn-born, raised Bronx, son of garment district tailor. Army hitch in Indianapolis, peddled encyclopedias. Became leasing broker, sent for brother Herb: "It was easy money." Saw potential of strip centers, then regional malls, built all over Midwest.

your business to turn to operating capital?

that River Forest acquired in 1990 to one common, streamlined system. It's used by seven of the holding company's eight banks. River Forest is now positioned to **provide customers with a broader range of services** in more locations.

"We've turned all our technology needs over to EDS," says Robert J. Glickman, President of River Forest Bancorp. **"We've lowered costs, and improved profits."** In fact, since 1988, on a nationwide basis, River Forest has consistently ranked first or second on return-on-equity among its peer group banks.

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EDS

TAKE ADVANTAGE OF CHANGE℠

Today, brothers control over 145 shopping centers, 65 million sq. ft.; second biggest in business. Have 22.5% Minneapolis' giant Mall of America. "Meshuggener Mel," for colorful clothes, exuberant manner. Tried financing films *(Porky's, My Bodyguard)*. Co-owns Indiana (basketball) Pacers. Restructuring against real estate, retailing recession, but Mel's stake estimated at $300 million.

M. Larry Lawrence

Real estate. Coronado, Calif. 66. Thrice divorced, remarried; 3 children. Chicago-born. Poor, slept on bed in living room. "I never knew anyone who lived in a single-family home until I went to college." Worked in deli age 9. Played pro football, worked as carpenter; started building homes. To San Diego 1951. Bought run-down Hotel del Coronado to get land 1963; cost under $10 million. Thought about demolition, reconsidered. Over 10 years poured $100 million into repairs. Now principal asset, estimated worth over $200 million. Also office buildings, construction company. Active in stock market, etc. Deal junkie. Liberal Democrat, great friend/giver Clinton. Estimated $300 million.

★
David Blech

Biotech investments. NYC. 36. Married, 1 child. Son of Vienna-born rabbi turned stockbroker. College music major, even says had hit song in Italy, but became stockbroker instead. Made around $200,000 1970s in private placements, small technology stocks. Began investing with brother Isaac in 1981. Biggest deal: raised $20 million for Genetics Systems, sold to Bristol-Myers Squibb for $300 million 1986. With mother, Esther, David invested in small public tech stocks, often with prize-winning scientists—for example, ICOS, Pharmos. In 1990 brothers split $100 million. More aggressive David started D. Blech & Co. Described as high-strung, no hobbies. Currently has 11 public, plus shares in at least 6 private companies. Total net worth recently estimated at $295 million, much in trusts.

Thomas Mellon Evans

Investments. NYC; 82. Divorced, widowed, remarried; 3 children by first marriage. Yale. Introduced to business by distant relative, Gulf Oil boss W.L. Mellon, early conquistador of undermanaged companies. Thomas learned fast: turnarounds included bankrupt H.K. Porter 1938; Crane Co. 1959; over 80 others. Appreciates today's market atmosphere: "Takeovers weren't respectable. Now they are." Quit top spot at Crane after losing board battle with son Shell. Sold 22% MacMillan (publishing) stock despite pleas of CEO—his other son, Edward—not to. Still large holder Fansteel. Also Buckland Farms, horse breeding sites Ky., Va.; art. Net worth estimated at $290 million.

Joe Lewis Allbritton

Broadcasting, banking, insurance. D.C., Houston. 67. Married, 1 son. Son of Houston cafe owner; native of Mississippi. Made first million age 30 cofounding Texas S&L; bought Houston land with bank loans. Bought Washington Star 1974, sold 1978. Began acquiring Riggs National Bank stock early 1980s: "You're not wrestling alligators to see if you can drain the swamp to see if you can grow a crop." But bank now troubled: Allbritton has sold assets. Calif. insurance commissioner ordered payback of $12 million dividends from his Pierce National Life. But Allbritton Communications still strong, believed to have little debt. Cut own salary at Riggs, still may be worth over $290 million.

Robert Staples Howard

Howard Publications. Rancho Santa Fe, Calif. 68. Married, 4 children. U. of Minnesota dropout. After WWII inherited hometown (Wheaton, Minn.) paper: "I swept the floors, melted lead, sold ads, wrote stories . . . you name it." Founded Howard Publications 1961; saw possibility of owning more than one paper. Built to 18 dailies, nearly 450,000 subscribers; added other media. Unassuming—flagship is Hammond (Ind.) Times—but profitable chain.

Roberto C. Goizueta,
Coca-Cola Co.
chairman

In 1954 Cuban-born Goizueta answered a tiny, fine-print advertisement in a Cuban newspaper seeking employees for the technical department of Coke's Havana subsidiary. Twenty-seven years later, in 1981, he was named Coke's chairman. This year he joins the Forbes Four Hundred for the first time, thanks to stock bonuses, purchases and option exercises, not salary.

Sold Buffalo TV station 1988 for $100 million; sold 40% stake Choice (cable) TV for $72 million. "If I'd only been smart, I'd have sold my newspapers then, too." Amid media recession, still estimated $285 million; he says far less: "I don't want to sail under false colors."

★
James Richard Leininger

Specialty hospital beds. San Antonio. 48. Married, 4 children. Son of Fort Wayne, Ind. family M.D. Indiana U. medical school; military service San Antonio's Brook Army Medical Center. Later, saw patients survive emergency room, but die in intensive care from complications related to immobility. Saw demonstration RotoRest, rotated patients from side to side; helped drainage of lungs, kidneys. Acquired distributorship; then company, rights to technology 1975. Started out of one-room apartment; public 1988; 1991 sales $249 million. Hospitals order specialized beds as cases demand; Kinetic Concepts delivers, installs within hours. Now also in Western Europe; offers other life-support equipment. His shares, etc. worth $285 million.

★

Joseph Reeves Hyde III
Auto parts. Memphis, Tenn. 49. Divorced twice, 2 children. U. of N.C. Grandfather founded Malone & Hyde, supermarket wholesaler, 1907; J.R. (Pitt) Hyde III president 1969, age 26. Youngest top executive of any NYSE firm; expanded into retail drugs, Piggly Wiggly franchises. Founded Auto Shack 1979 for big underserved niche: parts, etc. for low-income customers who must fix own cars from economic necessity; amazing success. With KKR, led 1984 LBO Malone & Hyde; sold to Fleming Cos. 1988 for $600 million; kept Auto Shack. Renamed AutoZone, now 672 stores (mostly Tenn., Tex., Ariz., La.); 1992 sales $1 billion. Took public April 1991. Pitt's 12%, other holdings, recently estimated $285 million.

Edmund Wattis Littlefield
Utah International. 78. Burlingame, Calif. Married, 3 children. Grandson of E.O. Wattis, who cofounded UI's predecessor. At 14, waterboy for firm's construction crew in Ogden, Utah. Stints with Standard Oil, large dairy company. Lured back to languishing UI 1951, reminded of company stock he stood to inherit. One condition: no requirements to hire relatives of big stockholders. Steered toward coal, copper mining. Became GE director. Desire for stability and GE Chairman Reg Jones' ambition catalyzed then-largest merger—$2.2 billion, 1976 (UI resold 1984). GE shares since tripled: Wattis family holdings worth $1.4 billion; Ed's shares, other assets, $280 million.

Oakleigh Blakeman Thorne
Commerce Clearing House. Millbrook, N.Y. 60. Divorced, remarried; 3 sons, 1 daughter. B.A. Harvard. Great-grandfather Oakleigh Thorne bought CCH's predecessor company 1907, six years before income tax enacted. Company became largest publisher of tax guides for lawyers, accountants and government. Biggest subscriber: IRS. Thrives on tax "reform." Keeping publications but writing off tax processing business; trying to follow tax processing in-house with software. Main negative: merger or failure of law and accounting firms. On "Thorndale" upstate N.Y. raises Thoroughbreds, orchids. Stock, etc. worth $280 million.

Jack Monteith Berry Sr. and family
Citrus. Winter Haven, Fla.; Blowing Rock, N.C. 75. Married; son, 2 daughters. Left native Tennessee to seek fortune in NYC 1939; took diction lessons to lose accent. Joined brother's fruit brokerage business, earning $75,000 a year at 30. In 1950s supermarkets bypassed brokers; Berry moved to south Fla., gambled on drainage-hampered citrus land. Planted 6,000 acres 1960s. Now more than 20,000 acres groves, 26,000 acres undeveloped. Also processing, box plants; recently sold plastics operations. Claimed too-low FORBES estimate hindered efforts to sell company at good price. Jack Jr., daughter Holly have citrus business, daughter Ruth traded citrus for family ranch; Jack Sr. still largely in charge. Estimated $280 million.

Richard Jerome O'Neill
Alice O'Neill Avery
and family
Brother and sister. Inheritance, real estate. Grandfather Richard O'Neill left cattle business in Ireland to manage friend's vast southern California ranch in exchange for half the land. Grandchildren inherited 52,000 acres 1943, sold parcels steadily. Developed 10,000-acre Mission Viejo tract mid-1960s with Donald Bren *(which see)*, later purchased by Philip Morris for $72 million. Currently developing 5,000-acre planned community Rancho Santa Margarita, Orange County, headed by Alice's son Anthony Moiso. Richard: San Juan Capistrano, Calif. 69. Married, no children. Ranching interests Mexico, Nicaragua; also Calif. restaurants. State Democratic heavyweight. Alice: LA. 75. Divorced, widowed; 3 sons, 7 grandchildren. Extensive collection dollhouses, dolls. Dick and Alice, families, share ranch, other investments estimated over $550 million.

Jack Parker and family
Real estate. NYC, Boca Raton, Fla. 77. Married, 2 children. Son of blouse manufacturer, became lumber salesman; own company 1946; sold 1954: "I like to play tennis and golf, so I

retired in my 40s." Liked developing properties more; 3 weeks later started construction company; suburban homes 1950s, then risky Parker Towers (first luxury high rise in NYC's Queens) 1959. Expanded to Manhattan, N.J., Fla. Gambled successfully on Hotel Parker Meridien 1981. Co-oped most apts. 1980s. Lots of small projects: "We'd rather make a small profit than take a big loss." Grandson Adam Glick heir apparent. Fortune around $275 million. A peer: "He's got more nerve than a lot of us do."

John Brooks Fuqua

Entrepreneur. Atlanta. 74. Married, 1 surviving son. Poor farmboy ham operator, no college, started first Augusta radio station 1940; "J.B." later branched into cable, TV. Profits supported conglomerating binge 1960s. Took Fuqua Industries public 1966, then known as Natco: lawn/garden equipment, sporting goods, photofinishing; sold stake for $47 million 1989. Amassed huge private fortune from years of wheeling/dealing. "I've never done an unfriendly deal." Shrewd, skillful; always looking. No outside hobbies. "My biggest regret." Semiretired; well-connnected politically; former state legislator. Donated $10 million to Duke, business school named after him. Vast stock, real estate, oil/gas portfolio estimated $275 million.

William Edward Simon

LBOs. New Vernon, N.J. 64. Separated, 7 children. Lafayette College. Traded munis; later head government trader for Salomon. Treasury secretary under Ford. Partner, pioneer LBO firm Wesray Corp. with Raymond Chambers, 1981-86; bought underpriced cash-rich companies in mature industries. Partnership split. Soon new partnership with friend Gerald Parsky (LA lawyer) as WSGP International; drew Saudi royalty, European billionaire investors; invested in banks, real estate. Split mid-1991. Now head of N.J.-based firm William E. Simon and Sons; investments focused on financial services, thrifts, real estate. Avid sailor, scuba diver; chairs U.S. Olympic Foundation. After reverses, may be worth $275 million.

David William Grainger

Electrical equipment. Skokie, Ill. 64. U. of Wisconsin. Married, 3 children. Father William Wallace Grainger, electrical engineer, founded wholesale electrical equipment distributor 1927 with $6,750 borrowed from wife. Widespread conversion to alternating current, modernizing factories drove demand. First MotorBook, key selling tool, 8 pages; now General Catalog over 2,700 pages. Went public 1967, retired 1968. Only son David W. took over; chairman 1968. Now acquiring smaller distributors; total over 360 sales outlets across 50 states; sales exceeded $2 billion mark first time 1991. Current focus: specialty businesses, e.g., safety, sanitation products. Very private. His shares worth $270 million.

★

Anne Hendricks Bass

Divorce. NYC, Fort Worth. 51. 2 daughters. Split with Sid Bass *(which see)* after 23-year marriage. Daughter of Indianapolis surgeon; Vassar. Dance fanatic: home adorned with Degas dancers; executive committee of NYC Ballet, gave school to Fort Worth Ballet. Thawed out since split: "People like her a lot better since she hasn't been Mrs. Sid Bass." Fixture on Manhattan social scene: New York Public Library, Museum of Modern Art, Metropolitan Museum of Art; "She gives wonderful private parties." Has never forgotten Texas: Fort Worth Art Museum, Fort Worth Ballet, maintains distinctive home. Believed still holding 1.4 million shares Disney stock. Also Fifth Avenue apartment; Monet, Rothko, Picasso. Estimated net worth: $270 million.

★

George B. Kaiser

Oil and gas, banking. Tulsa. 50. Married, 3 children. Father fled Nazi Germany for Tulsa 1938. Worked in family-owned Francis Oil & Gas; started separate drilling business 1949. The two companies gradually merged. George (Harvard B.A. and M.B.A.) took over Kaiser-Francis Oil 1969; built into largest privately owned gas producer in Okla. Buys distressed gas properties, sells during market highs, when there are any: "We have no pride of ownership. You can't be emotional." Cuts employees in on deals. Philosophy: "Hire and retain entrepreneurs and harness and direct their greed." Now trying banks: bought distressed Bank of Oklahoma 1991 for $61 million; now worth triple that. Net worth believed $265 million or more.

★

James Lee Clayton

Mobile homes. Knoxville, Tenn. 58. Twice divorced, 4 children. Sharecropper's son who picked cotton at 5. Played guitar, had own radio program. "Wasn't sure I could make it as an entertainer, so I started selling cars." Broke at 27, but got law degree: "No one's gonna bankrupt me again!" Founded car dealership 1956, later added mobile homes; sold car business to brother 1981; built up $7.5 million mobile home operation. Took Clayton Homes public 1983. Today largest U.S. retailer (1992 sales, $371 million) mobile homes; also manufactures, finances. Clayton, chief executive, likes to fly jets, helicopters. His 30%, other assets, recently worth $265 million. But some dreams unfulfilled: "My hero's still Eddie Arnold."

William Robert Berkley

Insurance, food processing. Greenwich, Conn. 46. Married, 3 children. Father died when Berkley 11: "We went from upper middle class to poor." Couldn't mow lawns because of allergies, but recruited neighborhood kids to do the work and delivered superior service. At age 12, bought 7 shares of Decca Records, stock tripled: "I was sure it was an easy game." At 15, called Chrysler chairman with queries before buying: "Boy, did I get in trouble with my mother—it was a big phone bill." Whiz kid at Harvard Business School, managed over $25 million for clients at 23. Quit early 1970s to buy unpopular companies in fragmented industries: specialty insurance, food and other distribution, fire protection. Some businesses troubled; net worth may be as low as $265 million.

Great family fortunes

Some very wealthy families have fortunes so divided that no individual among them qualifies for The Forbes Four Hundred. This listing is extensive but not intended to be as complete as our listing of the richest individuals in America. Many are heirs of persons who would have been members of The Forbes Four Hundred had it been compiled in earlier decades; some families are in the accumulation stage.

Andersen
Bayport, Minn. Danish immigrant Hans Jacob Andersen arrived Portland, Me. 1870. First words in English, "All together boys," became company motto. With sons founded Andersen Lumber Co. 1903. Standardized window frame sizing with interchangeable parts revolutionized building industry 1905. Signed first profit sharing check hours before his death. Son Fred emphasized advertising: "Only the rich can afford poor windows." Andersen Corp. now "world's leading windowmaker," about 10% U.S. market share (1991 estimated sales, $900 million). Profit-sharing seems to work: employees' bonus over 25% of 1991 salary. Slump in housing, construction hurts, but family's 70% still estimated some $650 million.

Bacardi
Puerto Rico, Miami et al. Descendants of Don Facundo Bacardi (b. 1816), Spanish-born wine merchant, emigrated to Cuba 1830. (Son Emilio key player in Cuban independence.) Made "civilized rum," formed Bacardi Co. 1862. Family built to world's most popular brand liquor. Sold over 23 million cases worldwide 1991. Generations of Bacardis work in various private companies: Bacardi Corp. of Puerto Rico sells to Bacardi Imports of Miami; royalties to Bacardi & Co. Ltd. Bahamas. Recent family bickering: less powerful shareholders want voice, more financial info. Mixing vermouth with rum: plans big stake in Martini & Rossi. Some 500 Bacardis share fortune estimated $800 million.

Bancroft
Inheritance. Heirs of Boston tycoon Clarence Barron (d. 1928), who acquired Dow Jones & Co. 1902 from founder Charles Dow and his partners; publishes Wall Street Journal, Ottaway Newspapers, Barron's. Clarence left control to adopted daughter Jane, who married Harvard lawyer Hugh Bancroft (d. 1933). Family fortune went to 3 children: Jane Bancroft Cook *(which see)*; Jessie Cox (d. 1982; 3 children), Hugh Bancroft Jr. (d. 1953; 4 children). Hugh's daughter Bettina Bancroft a Dow Jones director since 1982; Hugh Jr. builds antique car kits; Kathryn Kavadas active in arts; Chris was professional skier, runs real estate company Denton, Tex.; all very private. The 3 branches' Dow Jones stock lately $1.6 billion.

Barbey
California et al. Heirs of John Barbey, founder with 5 partners of Reading Glove & Mitten Mfg. (Pa.) 1899. Sold inherited brewery to buy out partners 1911, renamed Schuylkill Silk Mills (first product: silk gloves). Pioneered brand-name lingerie (Vanity Fair) 1917; first to exhibit lingerie at fashion shows on live models. Son J.E. took over 1939; designer women's lingerie. "He just loved beautiful things." Died 1956, left stock in trust, handpicked outside management. Company added blue jeans (Lee 1969, Wrangler 1986), sportswear (Jantzen 1986). Now VF Corp., $2.5 billion sales. No Barbeys in company; grandson Kelly led failed takeover try 1980s. Trust for 16 family members holds 20% VF Corp., recently worth $540 million.

Bean (Gorman)
Freeport, Me. Descendants of Leon Leonwood Bean (1872-1967), sportsman, founder L.L. Bean, Inc. Tired of cold, wet feet, put rubber bottoms on leather shoes. After 90 of first 100 pairs returned defective, introduced Bean money-back guarantee, still in effect. Maine's first hunting licenses 1919 inspired first-ever direct-mail marketing campaign; sales passed $1 million 1937. "That wasn't bad for a boy who never got through the eighth grade." Today's president grandson Leon Gorman, 57; encouraged advertising, broadened women's line; now scaling back to protect quality, service. Being drawn into Japanese market. Fifteen reclusive descendants believed to control company worth about $600 million.

Belk
Charlotte, N.C. Descendants of brothers William, John Belk, who opened Monroe, N.C. general store 1888. Gave no credit, bought out credit-granting rivals for pennies on dollar in hard times. From 13 stores 1913, today some 370 stores throughout Southeast, estimated sales $2.7 billion. Aggressive on costs, but "I don't reckon we got a system, we just sell goods." Some 25 descendants share ownership with local owner-partners; each store a separate corporation. History of eccentricity, lawsuits. William Jr. ousted as chairman 1950s; tried, failed to thwart brother John's Charlotte mayoral career (1969-77). John now chairman

BSS; brother Tom president. Family estimated $550 million or more.

Bingham

Newspapers. Descendants of Robert (Judge) Bingham; lawyer, mayor of Louisville, ambassador to Britain. Married Mary Lily Kenan Flagler, one of nation's richest women, 1916. Bought majority interest Courier-Journal, Louisville Times 1918, after wife's mysterious death. Died 1937. Youngest son Barry Sr. eventually inherited siblings' interests; added TV; company 8-time Pulitzer winner during his tenure. Son Barry Jr. editor, publisher 1971. Bitter family feud forced Barry Sr. (d. 1988) back; culminated in $450 million liquidation 1986. "In bringing up my children, I simply didn't get across to them that people have to make compromises." "Kennedys of Kentucky," net of taxes, estimated $400 million.

Blaustein

Baltimore. Inheritance. Heirs of Lithuanian immigrant Louis Blaustein (1869-1937), delivered kerosene door-to-door; invented predecessor of modern RR tank car. Only son Jacob (d. 1970) invented metered gasoline pump, antiknock gas, drive-in stations. Founded American Oil 1910; after 17-year lawsuit, merged into Standard Oil of Indiana 1954. Part-time diplomat: convinced U.N. conferees to accept human rights provisions 1945. Jacob inherited 50% family fortune; his sisters Fanny Thalheimer (d. 1957), Ruth Rosenberg (d. 1992) 25% each. Family controls Crown Central Petroleum, vast real estate holdings, tankers, manufacturing. Numerous heirs share family fortune estimated at $1.5 billion.

Block

Block Drug Co. Descendants of Alexander Block, Russian immigrant who opened small retail drugstore 1907. Today New Jersey-based leading manufacturer, marketer dental products, pharmaceuticals, household products: Polident, Nytol, Sensodyne, etc. Simple strategy: find niche, build. Developed one of few direct-sell sales forces in professional dental supplies market; aggressive sales force. Expansion mostly through extension of brand names. Block family now in fourth generation; Alexander's son Leonard, 80, senior chairman; Leonard's son Thomas, 47, president; Thomas' cousin James, 55, chairman. Family owns 100% of voting stock, over 50% nonvoting, worth about $650 million.

Sotheby's International Realty

Ron Galella

What's the matter? It's only $30 million **Forbes Four Hundred dropout Christopher Hemmeter put his luxurious Hawaiian estate on the market in 1990. Was asking $39 million. Sotheby's says it's now $30 million. Still no takers.**

Brittingham

Mexico, Dallas. Los Angeles-born brothers Jack and Robert saw opportunity for ceramic tile in post-WWII building boom. Chose Dallas headquarters for proximity to Mexico, where tile is produced, labor cheap. Started 1944; built Dal-Tile Group into one of largest U.S. ceramic tilemakers. Brother Jack, a.k.a. Juan, commuted from Dallas to Mexico to run manufacturing; now semiretired. Robert ran Dal-Tile U.S., kept out of sight. Sold out 1990 to AEA Investors Inc. for $640 million pretax. Robert: avid hunter in Africa, Mexico; indicted by EPA January for dumping hazardous waste. Brothers control Briarridge Investments, active Dallas real estate. Share estimated $475 million.

Brown

Brown-Forman Corp. Louisville, Ky. Descendants of George Garvin Brown, who founded company with half brother 1870; named Brown-Forman 1890. Maintains family control; family member must have 2 degrees before joining company. William Lee Lyons Brown Jr., CEO since 1975, son of W.L. Lyons Brown (CEO 1951-71), who was son of Owsley Brown (CEO 1917-51), who was son of George Garvin Brown. Other Browns in top management. Strategy: invest in most promising brands—Jack Daniel's, Southern Comfort, Canadian Mist, Korbel Champagnes, etc. See advertising as key to sales. Acquired Lenox chinamaker 1983; Dansk International Designs 1991. Family's stock recently worth $1.1 billion.

Busch

St. Louis. Descendants of Bavarian immigrant Adolphus Busch, married Lilly Anheuser 1861. Sold brewery supply business, joined father-in-law's brewery 1866. Company sur-

vived Prohibition selling corn syrup, yeast. Grandson August Jr. (d. 1989) president 1946. Steered into modern era with Busch Gardens theme parks, St. Louis (baseball) Cardinals; promotion that made Budweiser "King of Beers." Market share all Anheuser-Busch brands 44% (sales, $12 billion). One in 4 beers drunk in U.S. a Bud. August III, 55, now at helm; added food products. Fifth-generation August IV, 28, first sip of Bud age 10 hours; after 2 run-ins with law, settling down in business. Family shares recently $1.3 billion.

Campbell
Hawaii. Progenitor James Campbell left Ireland as 13-year-old stowaway, arrived NYC 1839. Survived shipwreck, cannibal attack on voyage to Hawaii 1850. Bought vast tracts arid land previously believed worthless, pioneered artesian wells, built rich sugar plantation. Dubbed "Kimo Ona-Milliona" (James the Millionaire) by native islanders. Died 1900. Estate now 75,000 Hawaiian acres. Committed to preserving agriculture but slowly selling well-situated parcels, buying mainland office buildings, shopping malls at depressed prices. Last surviving daughter, Beatrice Campbell Wrigley, died 1987; trust dissolves 2007; numerous family members will divide fortune worth estimated $700 million.

Chandler
LA et al. Times Mirror Co. Heirs of Harry Chandler, who rose from clerk to chairman LA Times; married daughter of owner Harrison Gray Otis. Used innovative marketing to squeeze out competition. Built real estate/media empire. Died 1944. Son Norman won over readers by favoring news over ads during WWII print shortage. Company has diversified into book publishing, information services, broadcasting, cable TV. Also 7 dailies including Baltimore Sun, Newsday; 14 magazines, including Popular Science. Grandson Otis Chandler stepped down as chairman and editor-in-chief 1986; works with disadvantaged children. Over 100 family members share trust estimated at least $1.3 billion.

Clapp
Seattle. Matthew G. Norton, brother James started lumber company late 1800s with cousin William Laird. Laird Norton Co. supplied homesteaders. Helped Frederick Weyerhaeuser start Weyerhaeuser Co. Eben Clapp, physician, married the daughters of Matthew and James, in turn. Son Norton Clapp principal heir, largest Weyerhaeuser shareholder; president Weyerhaeuser 1960-66, chairman to 1976. Conservative manager family wealth. Norton's 6 sons (3 now deceased) little interested, but stepson Booth Gardner president Laird Norton's Midwest operations; now Washington governor. Norton now married to widow of one of his sons. Over 100 family members share fortune believed over $650 million.

Clark
Cooperstown, N.Y. Heirs of Edward Clark (1811-82), who helped Isaac Singer sell sewing machines 1850s, got 40% Singer Mfg. Co. His 4 grandchildren made eyebrow-raising claim: America's favorite pastime invented in Cooperstown; Baseball Hall of Fame opened in 1939. Also museums, hospital, hotel, golf course, etc. Last great-grandchild, family leader Stephen C. Clark Jr., died April. Fifth generation: Anne Labouisse Peretz, 53, co-owner New Republic magazine; Alfred Clark, 49, owner NYC investment company; Jane Forbes Clark II, 37, chairman of Clark Foundation, helps run Clark Estates Inc., NYC. Smart investments keep estimated fortune at least $425 million for 11 Clarks; similar amount in foundation.

Close
Fort Mill, S.C. Colonel Leroy Springs founded Lancaster Cotton Mill 1895, took over Fort Mill Mfg. Co. Son Elliot White Springs, fifth-ranking ace pilot WWI, writer 1920s, returned to family textile business at father's request 1931. Used WWII profits to expand to New York; died 1959. Son-in-law Hugh W. Close took over (d. 1983). Springs Industries now one of largest U.S. makers bedclothes, draperies, etc. (1990 revenues, $1.9 billion). Elliot's granddaughter, Crandall Close Bowles, 44, director of the Springs Co. (management services), oversees family interests in real estate, insurance, railroad. Family's Springs Industries Class B stock, other assets estimated $460 million.

Collier
Inheritance, investments. Naples, Fla. et al. Descendants of Barron Gift Collier, high school dropout advertising wiz; used streetcars instead of billboards. Bought southwest Florida land from 1911, eventually amassed 1.3 million acres (Collier County, etc.). Died 1939. Current heirs disagreed on strategy. Split empire with coin toss 1980. Branch A: Collier Enterprises. Led by Miles Collier, 45; controls 72,000 acres agriland, 2,800 acres Naples, 5,900 citrus groves, Oklahoma City's Local Federal S&L. Building Tampa office park. Branch B: Barron Collier Co., 3 main heirs: 72,000 acres agriland, 5,000 acres Naples, 10,000 acres citrus; developing 80 acres downtown Pheonix. Estimated at combined $1.2 billion.

Coors
Coors beer. Golden, Colo. Heirs to German immigrant Adolph Coors, stowaway on Baltimore-bound sailing ship; started brewery 1873. Company survived Prohibition making malted milk, ceramics, near beer. Family tragedy: Adolph III kidnapped, murdered 1960. Grandsons William, Joseph built company. Added light beer late 1970s. Controversial antigay, antiminority, antiunion policies. Ten-year AFL-CIO boycott until affirmative-action pact 1987. Great-grandsons Peter, Jeffrey (Joseph's sons) now run day-to-day brewing, technology units. Plans to diversify. Family shares recently worth $400 million.

Cowles (Gardner)
Media. Minneapolis, NYC et al. Descendants Gardner Cowles Sr. (d. 1946), who put $110,000 into ailing Des Moines Register 1903, added evening Tribune, built monopoly. Son John Sr. (d. 1983) pulled same trick with Minneapolis Star 1935.

A new generation of political Rockefellers

John D. IV (D–W.Va.), touring New Hampshire hamlets in the fall and early winter as he tested the presidential waters. Larry (right), son of Laurance, took up Uncle Nelson's mantle as the family's official liberal Republican. He went after New York Senator Alfonse D'Amato in the Republican primary, but D'Amato's people disqualified enough of his petition signatures to keep him off the ballot.

Gardner Jr. (d. 1985) founded Look magazine; sold Family Circle, etc. to New York Times for 23% of NYT stock 1971. Third generation blew profits; sold Cowles Broadcasting to Oveta Culp Hobby *(which see)* 1984, flagship Register to Gannett for $200 million 1985. Grandson David Kruidenier, 70, chairs thinly traded Cowles Media: "We still have plenty to do." Over 70 heirs with 70% Cowles Media, plus NYT stock, estimated $480 million.

Cullen

Houston. Inheritance. Descendants of Hugh Roy Cullen (d. 1957), grade school dropout, cotton trader, legendary wildcatter who drilled deeper in others' "dry" holes, found oil. Hit famed Tom O'Connor *(see O'Connor family)* field early 1930s. Began Quintana Petroleum 1932; today operates wells for family, Exxon. Only son Roy killed in oil rig accident 1936; grandson Roy H. in family business. Daughters also inherited Quintana; executive committee of 1 daughter, 3 members of third generation runs it. Fourth daughter married "Baron" Paolo di Portanova, lived in solitude in a Times Square hotel, died 1959. Her son Enrico later sued others, who hired Joe Jamail *(which see)*; bested Enrico. Businesses believed worth far over $500 million.

Dayton

Minneapolis. Heirs to banker George Draper Dayton, founder Dayton's department store 1902. Handed on to son George Nelson 1938. He raised 5 children on isolated 800-acre farm to emphasize traditional family values. All sons in business by 1950. Opened first indoor 2-level shopping mall Minneapolis area 1956. Expanded into low-margin and specialty stores 1962; book retailing with creation of B. Dalton (sold 1986). Went public 1967. Merged with J.L. Hudson Co. 1969, formed Dayton Hudson. Last brother retired 1983. Company donates 5% taxable income to community philanthropies; grandson Bruce Dayton major art collector, most of collection promised to Minneapolis art museum. Total family fortune believed over $1 billion.

de Menil

Houston, NYC. Descendants of physicist Conrad Schlumberger, developer first "well-logging" device 1920s. Bonanza for oil exploration: fine-tuned location, depth of underground oil. U.S.S.R. first to try Schlumberger Ltd. (Conrad, a socialist, pleased.) Died 1936. Company dominant in field since. Daughter Dominique, now 84, fled Nazi-occupied Paris to firm's Houston headquarters. Husband John de Menil (d. 1973) ran company 1967-70. Over half Dominique's 15,000-piece art collection to Menil Collection museum, Houston. Human rights activist: started Carter-Menil Human Rights Foundation with Jimmy Carter. Five children also collectors. Remaining art, stock estimated $430 million.

de Young

SF et al. Descendants of Michael H. de Young, founder San Francisco Chronicle with brother Charles 1865: epitomized "yellow journalism": racy scandals, mudslinging. Mayor's son shot Charles dead 1880; Michael shot 1884, survived. Juries acquitted both defendants. Warred with archrival Hearsts *(which see)*, but signed one of largest newspaper joint operating agreements with Hearst Examiner 1965. Now Chronicle Publishing 6 dailies, 5 TV stations, cable (310,000 subscribers). Great-grandson Richard Thierot, 50, president; Chronicle editor-in-chief, publisher from 1977, but cousin Nan McEvoy chairwoman, largest shareholder. Net of substantial debt, family may be worth over $1 billion.

Dillon

Far Hills, N.J. Patriarch Clarence Dillon (d. 1979) joined what would become Dillon, Read 1914, took over 1919. Wall Street power throughout 1920s—locked horns with J.P. Morgan—and beyond. Launched U.S. & Foreign Securities investment trust 1924. Son C. Douglas: Ike's ambassador to France; Treasury Secretary under JFK, LBJ; former chairman NYC's Metropolitan Museum. Extensive art. Family owns famous Château Haut Brion vineyards, now run by Doug's daughter Joan (Duchesse de Mouchy). Dillon, Read sold to Bechtels *(which see)* 1981. U.S. & Foreign Securities liquidated 1984. Family worth over $450 million, maybe way over, depending on what's in at least 41 trusts.

Donnelley

Chicago origin. Heirs to Richard R. Donnelley (d. 1899), Canadian saddlemaker's apprentice; went to Chica-

go, started print shop 1864. Burnt down 1871; family rebuilt into R.R. Donnelley & Sons. Son Reuben (d. 1929) formed own company, later sold to Dun & Bradstreet 1961. Grandson Gaylord Donnelley took over main family company 1964. Today world's largest commercial printer; 20% market share; customers include Time, Newsweek, New Yorker, TV Guide. Also catalogs, inserts, phone books, tabloids, books, etc. Gaylord died April at 81. Well-known conservationist; donated 6,000 acres to Nature Conservancy, Ducks Unlimited. Family stakes R.R. Donnelley, D&B, estimated $1.17 billion.

du Pont (Pierre Samuel II)
Wilmington, Del. Descendants of Pierre Samuel du Pont de Nemours (1739-1817), French Physiocrat who fled revolutionary terror for America 1800. Son Eleuthère Irénée, chemist's apprentice, founded gunpowder factory on Brandywine Creek 1802. Company and family prospered, dominated Powder Trust late 1800s. After family battle for company control, Pierre S. du Pont II emerged as leading figure, with two cousins, 1915. Lucrative WWI munitions contracts led to vast growth, profits, despised sobriquet "Merchants of Death." Founded Christiana Securities as family holding company for Du Pont (merged into Du Pont 1977 under antitrust pressure). Rescued nascent General Motors 1920s, about one-third interest. Also Hercules Powder Co., U.S. Rubber (later Uniroyal), etc. Bought out cousins in further struggles for control of Du Pont. Childless, Pierre divided bulk of fortune among siblings and nephew before death 1958. His family branch built Wilmington Trust Co.; dissident branches, Delaware Trust Co. Numerous descendants of Pierre II siblings still control over 15% Du Pont. Family member: "The thing about du Ponts is that some are very, very rich, and the others are just plain old rich." This branch (including individuals listed separately) estimated over $8.6 billion. Numerous collateral du Pont families also wealthy.

Durst
Real estate. NYC, Scarsdale, Chappaqua, Martha's Vineyard, et al. Descendants of Joseph Durst (d. 1974), emigrated from Austria 1902, started Durst Organization 1915 to oversee handful of NYC buildings. Sons Seymour, Roy, David moved into office properties 1940s; pioneered Third Ave. development. Followed father's rule: "Never buy farther than you can walk." Control about 5 million sq. ft. midtown office space. Seymour persistent gadfly: "New York builds bureaucracy, not housing." Next generation now in place; Seymour's sons Douglas, Robert; David's sons Jonathan and Joshua now handling real estate, construction, leasing. With more debt come to light, dropping NYC values, family now estimated $600 million.

Farish
Houston origin. William Stamps Farish, other Texas oilmen, pooled interests, founded Humble Oil & Refining Co. 1917. John D. Rockefeller's Standard Oil of New Jersey (now Exxon) left with inadequate oil production in post-WWI boom. Humble needed capital: Standard paid $17 million for half Humble 1919, slowly upped stake. Farish rose to Jersey Standard CEO, died 1942. Will II died in military air show crash 1943. Will III, 53, manages family fortune (estimated 4.6 million shares Exxon, etc.), $100 million foundation, one outside account: old friend George Bush's blind trust when VP. Concentrates on Kentucky breeding farm, racing horses. Aunt Martha Farish Gerry shares fortune. Family estimated $400 million. Other Humble families believed less wealthy.

Flagler
Palm Beach, Fla.; Chapel Hill, N.C. et al. Descendants Henry Morrison Flagler, partner-treasurer Rockefeller's Standard Oil Co. Man behind idea of Standard Oil Trust. Built hotels; Fla. East Coast Railway; West Palm Beach; The Breakers. Left most to third wife, Mary Lily Kenan. She married Robert Worth Bingham *(see family)*, she died suspiciously; he built Louisville newspaper empire with $5 million from her. Principal lines of inheritance: Mary Lily; Harry, son by first wife; second wife, Ida Alice, fewest shares. Today 4 main Kenans share the wealth: Frank, 80, and James, 82, also Lawrence, 75, and Mary Lewis, 73. Inherited oil stock, real estate, etc. Four Henry Flagler descendants inherited much Standard Oil stock. Combined fortune may total over $500 million.

Goldman
NYC area. Inheritance. Widow Lillian, 4 children Sol Goldman, billionaire NYC real estate baron, d. 1987. Lillian says she insisted he stop being mama's boy, quit family grocery, 1940s. Filed for divorce 1983; "reconciliation" won 33% of Sol's estate (270 properties Manhattan alone). Later sued to void deal, claimed conspiracy; lost 1987. Trust created on Sol's death; children argued she could have income but not control. Lil sued (again), won 1991. "The Goldman family is the best thing to happen to lawyers since the Magna Carta." Lil estimated $200 million. Children (before inheritance tax), some $400 million. Lil: "My children have always known I would welcome them back to my bosom."

Gonda
International Lease Finance Corp. Beverly Hills, Calif. Twenty-something friends Louis Gonda and Steven Udvar-Hazy, who had formed his own aircraft brokerage firm while in college, put in $50,000 each to lease aircraft 1973. So did father Leslie Gonda, Hungarian-born international executive who made fortune in construction 1960s. Leslie liquidated assets, put more in. Deregulated airlines, newly competitive, grabbed for their cheap, low-risk, short-term leases. Went public 1983; grew to one of world's largest aircraft leasers; earned $61 million 1989. Assets $3.5 billion 1990, merged into AIG. Gondas' stock, etc. worth some $470 million. Steve, 46, president and CEO, has about $250 million. Louis, 44, executive VP. Chairman Leslie, 73: "AIG will be justly proud."

Gore
Gore-Tex. Newark, Del. Wilbert L. Gore (d. 1986), Du Pont employee, worked on Teflon 1957. Du Pont not interested in selling finished Teflon goods; Wilbert, wife Vieve started own business 1958 in basement. First insulated cable; then Gore-Tex—durable fabric later used in space suits. Son Bob took over 1975. Company best known for sportswear, raincoats, etc., but also medical (surgical patches, artificial veins/arteries), telecommunications (cables), industrial products (filters). Original patent expires 1993, but "We've patented hundreds of uses and we expect to come up with hundreds more." No relation to vice presidential candidate. Employees getting stock. Family estimated $575 million or more.

Graham
Washington, D.C. Washington Post Co. Eugene Mayer built up predecessor Allied Corp. Retired and bored, bought bankrupt Post 1933. Daughter Katharine's husband Phillip took over, rebuilt paper to profitability. Bought Newsweek 1961. After Phillip's death 1963, ex-housewife Kay's direct but low-key management style effective, respected. "Whatever power I exert is collegial." Public offering 1971; famed Watergate coverage 1972. Continued publishing during violent 4-month pressmen's strike 1975-76. Now 4 TV stations, growing cable operations. Son Donald, 47, named publisher 1979, CEO 1991. Kay, 75, remains chairman. Family's share in Post recently worth $565 million.

Gund
Cleveland origin. Six children of George Gund Jr. (d. 1966). Sold family brewery during Prohibition, having bought decaffeinated coffee company 1919. Sold that to Kellogg 1927; now General Foods' Sanka. Kept Kellogg stock. Moved into real estate, banking. President Cleveland Trust 1941. Son Gordon: "We didn't know the extent of our wealth until his death." George III, Gordon own Cleveland (basketball) Cavaliers, arena; George has majority share of San Jose (hockey) Sharks. George, financier in San Francisco. Gordon, blind from retinitis pigmentosa, venture capitalist in Princeton, N.J. Sister Agnes, art collector, heads New York's Museum of Modern Art. Brother Graham noted architect Boston. Family estimated over $1.6 billion.

Hillenbrand
Batesville, Ind. et al. John Hillenbrand, son of German immigrant, started furniture business 1881, then expanded into caskets. Son John A. bought bankrupt coffin company 1906. First to mass-market air- and watertight caskets 1940. Integrated backwards: Hil-Rom, manufacturer hospital beds, created 1929, first producer electrically operated beds. Hillenbrand Industries acquired American Tourister 1978, Medeco Security Locks 1984, SSI Medical Services 1981; 1991 sales $1.2 billion. Little debt; cash surplus finances acquisitions. Still world's largest casketmaker. Daniel A., 69, chairman; W. August (Gus) 52, nephew, president/CEO. Family's 62% Hillenbrand Industries worth $1.7 billion.

Hixon
Pasadena. Joseph Hixon secured family fortune with major investment in AMP stock; increased holdings to 45% by 1959. Company now leads world in manufacture of electrical connectors vital for computers, appliances; custom designs production machines to fit customers' assembly lines. Current generation merged family holding company Midland Investment into AMP 1981. Joseph's son Frederick (d. 1978) moved to San Antonio, invested in ranches, oil; provider of venture capital. Another son, Alexander, AMP director until 1987; lives Pasadena, travels, golfs; wife Adelaide volunteers: United Way, Planned Parenthood. Family shuns press. AMP holdings, if fully retained, now worth about $800 million.

Horvitz
Cleveland area, Fort Lauderdale. Sons of Samuel A. Horvitz (d. 1956), self-made media, real estate mogul who hawked newspapers to support family; educated to eighth grade. Started road construction company 1916; later real estate development firm; acquired 5,000 acres in Florida. Also 2 Ohio newspapers. Left in trust for contentious sons: newspapers to Harry, construction to Leonard, real estate to William. Battles intense, unresolvable; judge ordered liquidation of trust 1986. Brothers made peace in recent years. Harry died at 71, prostate cancer, February; survived by widow, 3 children. Leonard: 69. Married, 2 children. William: 66. Married, 2 children. Family says investments higher than estimated $815 million.

Houghton
Corning, N.Y. Descendants of Amory Houghton, founder Corning Glass Works 1851. Produced first glass bulbs for Thomas Edison 1879. Family company also later pioneered: Pyrex (1915), silicone (1938), fiberglass (1939), TV picture tube (1947), optical fibers (late 1960s). Now into fifth generation as family-run company. James (Jamie) Houghton, 56, chairman. Began quality management system, restructured company. Brother Amory Jr., 66, left company 1986 to run for U.S. Congress (R-N.Y.). Wrote no bad checks in House bank scandal; gets by with aggregate family holdings recently worth some $890 million.

Hoyt
NYC area and Santa Fe. Henry Hamilton Hoyt left import-export business 1929 to join father-in-law's firm, maker of Carter's Little Liver Pills. Managing director 1929, bought control anonymously; cut dividends to develop products: "I believed in the axiom that a business cannot stand still." Brought on John Wallace to develop products: Arrid deodorant 1935. WWII: foot powder for GIs. Nair, Rise shaving cream 1949. Dropped "Liver" from name of pills after 17-year battle; 1959 Supreme Court decision. Carter-Wallace stock surged in AIDS era: Trojan condoms acquired 1985; over 50% market share. Henry Sr. died 1990 at 95. Sons Henry Jr., Charles run company. Family stake worth over $610 million.

Hughes
Fortune of legendary tycoon Howard Hughes Jr. Father patented oil well drill bit 1909; Jr. inherited age 18; set flying records, created Hughes Aircraft, owned TWA, dabbled in Hollywood. Turned eccentric, secretive. Died 1976, no will, no immediate family. Bulk of fortune in Hughes Medical Institute. Cousin William Lummis, attorney who didn't know Hughes, took over holding company Summa Corp; estimated $168 million 1976. Five-year search for heirs; many funny claims. Meanwhile built real estate power; still at least 900 acres LA, 25,000 acres near Las Vegas. Over 100 relatives, some distant, share estate and distributions over $500 million. Also Texas lawyers. And IRS. Could total $1 billion.

Hunting
Idema
Wege
Steelcase. Grand Rapids, Mich. Peter Wege (d. 1944), sheet metal worker and holder of 6 patents, got idea for fireproof metal office furniture; launched firm 1912. Instant success: first metal wastebasket. Prospered 1920s, survived Depression. Patented modern-day suspension cabinet 1934. Changed company name to Steelcase 1954. Henry Idema (d. 1951) one of the original investors. David Hunting (d. April 1992) joined after, brought others. Henry's son Walter (d. 1979) set up financial controls; daughter Mary married current chairman, Robert Pew, 69. Policies: tight control, quality design; nonunion shop; aggressive marketing; independent, exclusive dealerships. Now leader in office furniture, although hurting in recession (sales down 14%, profits down 65%). But has $300 million cash pile, perhaps for expansion. Perhaps also for $100 million payoff to crosstown rival Haworth for patent infringement. Three families share company estimated worth $1.8 billion.

Irvine
Inheritance, lawsuits. Middleburg, Va.; Corona Del Mar, Calif. James Irvine built Orange County cattle empire. Son James Jr. farmed. When heir James III died of tuberculosis mid-30s, Jr. set up foundation run by business cronies with 54% of 120,000-acre ranch; drowned suspiciously 1947. Second son Myford, gambler, died of "self-inflicted" gunshot wounds. James III widow Athalie, daughter Joan inherited 22%. Now 59, Joan filed over 20 lawsuits for mismanagement; eventually won. Joined Taubman-Allen-Bren *(see all)* in Irvine Ranch buyout 1977, sold 11% for $76 million. Bren got control 1983, Joan sued for better price. Recently settled: over $250 million. Joan now starting own art gallery. She, mother split estimated $350 million.

Jenkins
Publix Super Markets. Lakeland, Fla. George Washington Jenkins hitched ride from Georgia with $7 seeking fortune in Florida real estate 1925. Instead began cleaning toilets in Piggly Wiggly grocery store; ran the store 6 weeks later. Snubbed by new owner, opened store next door 1930; named Publix after movie house chain. Several Fla. in-store firsts: air-conditioning, automatic doors, self-service meats, shopping music. By 1950, 21 stores; by 1992, 392, with first store opened outside of Fla. George, now 85, bagged groceries at every new store opening until stroke summer 1989; son Howard, 41, now CEO and chairman. 1991 sales $6.1 billion. Family share of company worth $845 million.

Jordan
Retailing, publishing. Boston origin. Descendants of Reverend Robert Jordan, from England 1640. Eben Jordan (d. 1895) came to Boston 1836, age 14, with $1 from Danville, Me. Farmhand, errand boy for dry goods store. Founded Jordan Marsh 1851 as small wholesale dry goods store. Expanded 1856; hurt in commercial panic of 1857; survived; expanded to major Boston retailer. Funded Charles Taylor's *(see family)* Boston Globe. Trust for Jordan's heirs owns 11 million shares Globe owner Affiliated Publications, 9 million McCaw Cellular. Prominent Jordan today: Dorothy (Mrs. Randolph A. Kidder). Trust to terminate Jan. 1996; shares recently worth $610 million.

Kelley
Honolulu. Roy Cecil Kelley, USC architecture grad, arrived Hawaii 1929. Borrowed $10,000, built 6 apartment units onto family home 1933. Witnessed Pearl Harbor from rooftop. "Wizard of Waikiki" foresaw islands' potential as middle-class "tourist factory." Built first hotel 1947, planning on high occupancy rates. No frills, moderate price: today 9,000-room Outrigger Hotel chain, Hawaii's largest (owns 15, manages 7); growing mainland presence. Roy, 87, retired; son Richard, 59, Harvard-trained pathologist, running show. Competitor: "Things go up and things go down, but there goes Dr. Kelley carrying bags of money to the bank every morning" containing estimated $400 million or more.

Kennedy
Boston origin. Joseph Patrick Kennedy (d. 1969) rose from modest south Boston beginnings to bank president age 25. Wall Street speculator, went short before 1929 crash, huge gains. Later outlawed own trading methods as first head SEC. Married daughter of Boston Mayor John F. (Honey Fitz) Fitzgerald 1914. From 9 children emerged political dynasty, tragedy. Son Joe killed WWII; daughter Rosemary retarded. John F., senator, President, and Robert F., senator, attorney general, both assassinated. Edward M., longtime Massachusetts senator, had presidential hopes dashed at Chappaquiddick. Grandson William Kennedy Smith faced highly publicized rape trial; acquitted. Family wealth tied to Chicago's Merchandise Mart, estimated $350 million.

King
Short Hills, N.J., NYC, Calif. et al. Charles King (d. 1972) pioneer radio syndicator 1930s, formed TV syndication company King World Productions 1964. Sons Roger, Michael took reins early 1970s; shopped around *The Little Rascals*. Hit jackpot buying syndication rights to *Wheel of Fortune*, *Jeopardy!* early 1980s. Added

Oprah Winfrey Show; now top 3 syndicated shows; plus *Inside Edition*, also in top 10. Sixteen-hour workdays not uncommon for cigar-chomping brothers. Roger, 48, chairman; Michael, 44, president, CEO; Diana, 43, VP, secretary; Richard, 51, director. Sister Karen quit 1986, eldest brother Robert sold out for $1.7-million before company went public 1984. Family estimated $380 million.

Kleberg

King Ranch Inc., Kingsville, Tex. Richard King (1824-85), Rio Grande steamboat captain, bought Spanish land grants south Texas 1850s, started country's most famous ranch. Bulk (over 800,000 acres) to daughter and husband, Robert Kleberg. Descendants, along with Exxon, developed big oil finds. Built ranches Argentina, Venezuela, Spain, Morocco, Australia, Brazil. Current nonfamily chairman Leroy Denman has sold all overseas except Brazil. Oil still producing cash. Family clash led to buyout of Robert Shelton, Belton Kleberg Johnson mid-1970s. B.K. doing well, Bobby is almost bust. Stephen Kleberg runs day-to-day. Ranch in acquiring mode. Family estimated $800 million.

Landegger

NYC, Rye Brook, N.Y. et al. Karl Landegger bought run-down paper mill Austria 1920s. Fled Hitler, to U.S. 1938 with $40,000. Purchased Parsons & Whittemore, small pulp trading firm. Built to world's leading pulp and paper mill builder; 60% pulp production in U.S., largest supplier to Japan, Korea. Also paper machinery maker Black-Clawson. Sons inherited 1976. Carl, 62, CEO Black-Clawson; George, 54, CEO Parsons & Whittemore. Carl spending big on recycling equipment, George on new paper mills. Carl: "My business motivation is to make something and make it bigger and bigger." George: "We will become the largest paper-pulp producer and seller in the world." Family fortune estimated over $500 million.

Lilly

Indianapolis et al. Colonel Eli Lilly, Civil War veteran, started producing "Lilly pills" 1876. Son Josiah took over 1901; introduced first commercial insulin 1920s. Leader in barbituates 1930s, antibiotics 1940s, first mass-produced Salk polio vaccine 1950s. First commercial drug from gene-splicing technology 1982. Plagued by legal problems 1970s and 1980s: DES, Darvon, Oraflex. Diversified into medical equipment, agricultural chemicals. Family no longer in management. Charitable: Lilly Endowment, set up 1937, $2 billion trust for educational, religious development. Family quiet on finances: believed over $1 billion; if holding original Lilly stock, over $2 billion.

Lykes

Tampa, New Orleans et al. Descendants of Dr. Howell Tyson Lykes (d. 1907), who inherited 500 Fla. acres; gave up medicine to become rancher 1870s. With 7 sons, made fortune raising, shipping cattle to Cuba; family eventually lost Cuba acreage in Castro takeover. But Lykes Bros. began diversifying 1940s: insurance, real estate, steel, natural gas, banking, citrus. Merged steel operations with LTV Corp. 1978; sold much off at profit before LTV crash 1986. Bought back famed steamship line from LTV 1983. Still dealing: sold 35%-controlled First Florida Banks for 8% Barnett Banks May. Great-grandson Thompson Lykes Rankin, 52, heads empire for 200-member family estimated worth $770 million.

Marriott

Washington, D.C. Heirs of John Willard Marriott Sr. (d. 1985). Utah Mormon who opened root beer stand 1927 with wife Alice; built chain of restaurants. Brought drive-in restaurants to the East. Pioneered airline catering business 1937. Started Marriott hotel chain 1957. Today 739. Wife, sons now run company: J. Willard Jr. ("Bill"), 60, chairman and president; Richard E., 53, vice chairman; Alice, 85, director. Sold Roy Rogers chain 1990. Sold hotels, other restaurants for $167 million 1991. Weak real estate market forced Marriott Corp. to halt senior housing complexes, sell 7 hotels to ITT Sheraton Corp. for more than $160 million.

Family owns First Media. Marriott stock, etc. estimated $660 million.

McClatchy

Sacramento et al. Heirs of Irish immigrant James McClatchy, reporter for Horace Greeley's New York Tribune. Went west to California gold mines 1849. Cofounded Sacramento Bee 1857, edited until his death 1883; succeeded by son Charles (d. 1936). Charles' daughter Eleanor ran papers until just before she died 1980; strong supporter of liberal causes; very private. Eleanor's nephew C.K. McClatchy (d. 1989) elected president of company 1978; took company public 1988; chairman of the board 1987. Company now led by brother James B.: 12 dailies, 8 nondailies, several senior citizen newspapers. Family holds 100% Class B stock, worth $480 million.

McGraw

NYC et al. Heirs of founder James H. McGraw, schoolteacher who moonlighted selling magazine subscriptions 1800s. In lieu of back pay, took stake in ailing railroad publication 1888; revived it. Acquired other trade pubs. Founded McGraw-Hill 1909 with partner John Hill (d. 1917): 20 magazines and book businesses by late 1920s; now major supplier information products, services: 37 magazines, 4 TV stations, book publishing, etc. Grandson Harold W. McGraw Jr., 74, CEO 1975-88 (retired); noted for preventing American Express takeover attempt 1979. Harold's son, Harold III (known as Terry), executive VP. Family still controls about 19%, recently worth $550 million.

Norris
Lennox International. Descendants of D.W. Norris, owner Marshalltown (Iowa) Times-Republican; helped father-in-law get job 1904 by paying $40,000 to buy coal-furnace operations from machinist-inventor David Lennox. Pioneered sheet-metal furnaces; business boomed when country went for central heating. Son John Norris developed oil and gas furnaces 1930s. Estimated sales now $1.1 billion; company subsidiaries include Heatcraft Inc., Armstrong Air Conditioning. Founder's grandson John Jr. took charge 1980. Company stock slowly passes to around 175 family members as gifts. Norris: "You start with a lucky gene pool." You finish with company worth estimated $500 million.

O'Connor
Oil, real estate. Victoria, Tex. Descendants of Thomas O'Connor (d. 1887), Irish immigrant, arrived Texas early 1830s, fought in Lone Star War of Independence. Built 400,000-acre ranch empire south Texas. Two sons expanded, added 200,000 acres out of state, developed Braford cattle (better adapted to Gulf Coast climate). In mid-1930s discovered "Tom O'Connor" field on land, one of largest, most productive; Exxon has big interest. Also family stake Victoria Bankshares—place to stash money. Steeped in ranching tradition, now stresses preservation. Senior family member: "We're just caretakers for the next generation." Family split in two groups. Big question: how much over $500 million are they worth?

Pew
Philadelphia origin. Joseph Newton Pew Sr. founded Sun Oil Co. (a.k.a. Sunoco) 1886; pioneered techniques to capture, pipe natural gas. Bought into legendary Spindletop, Tex. oil strike 1901; died 1912 at his desk. Son J. Howard (d. 1971) president 1912-47, returned as chairman 1963-70; last Pew to run the company. Great-grandson R. Anderson, 56, heads Sun subsidiary, only Pew in management. Far-flung family of over 400 has strict Presbyterian, Republican tradition. Family members make up 4 of 9 board members for the Pew Charitable Trusts; with $3.4 billion, among 5 largest American foundations. Family shares Sun Co., Oryx Energy estimated over $440 million.

Game show pioneer Mark Goodson

Newspapers once outperformed game shows. Now Goodson's media properties are down, but since Sony and the Family Channel are planning all-game-show cable channels, the value of his syndication library (To Tell the Truth, The Price is Right and What's My Line?) has soared.

Phipps
Pittsburgh origin. Steel magnate Henry Phipps (1839-1930), son of Philadelphia cobbler, grew up with neighbor Andrew Carnegie in Allegheny, Pa. Became partners, pioneered Bessemer process of manufacturing steel. When Carnegie sold out to J.P. Morgan 1901, Phipps got $50 million; took stock while Carnegie took bonds; fortune grew accordingly. Set up Bessemer Trust 1907, split among 5 children. For more than two decades descendants litigated over management of trusts. Now in 5th generation, over 100 heirs including Guests, Mannings, Martins, mostly in N.Y. and Fla. With part of $9 billion under Bessemer management, etc., family estimated at least $2.5 billion.

Pigott
Seattle. Descendants of William Pigott Sr. Made railcars, equipment for logging industry 1905; founded Pacific Car & Foundry. Built tanks, tugs WWII. Entered truck business with 1945 purchase of Kenworth, later Peterbilt; producing the "Rolls-Royces of trucking." Class pays: now Paccar $2.1 billion (1991 revenues), 22% of heavy-duty truck market. Family currently holds estimated 40%. Added poison pill against possible black knight Harold Simmons *(which see)*. Grandson Charles, 62, Paccar CEO, chairman; president Boy Scouts of America to 1988. Grandson James, 55, owns management consulting company, still a director. Over 30 heirs believed to share family holdings of Paccar worth estimated $710 million.

Pitcairn
Bryn Athyn, Pa. Devout Scottish immigrant John Pitcairn (d. 1916) launched glassmaking plant on Allegheny River 1883, built into PPG Industries. Pitcairns out of active role in PPG by 1935 but retained 14% stock. Descendants complained they "inherited neither the great financial wealth of our fathers nor the capability and energy required to be creators and builders," sold shares 1985, formed Pitcairn Financial Management Group. But sold too soon, PPG earnings up; family repurchasing. Began managing outside assets 1989. Family devoted to Swedenborgian faith; designed, support cathedral in Bryn Athyn. Net worth estimated $950 million.

Pulitzer
St. Louis et al. Descendants of Joseph Pulitzer (1847-1911), poor Hungarian immigrant, sometime politician in St. Louis after Civil War. Bought bankrupt Dispatch 1878 for $2,500; stressed muckraking. Eventually merged with Post; built chain including N.Y. World. Founded first journalism grad school, Columbia, 1903; also Pulitzer Prize. Now Pulitzer Publishing 1 daily, 2 shoppers (Lerner chain is up for sale). Broadcasting

since 1922; now 7 network-affiliated TV stations, 2 radio, 1 satellite network. Grandsons Joseph Jr., 79, Michael, 62, David Moore, 69, staved off Al Taubman's *(which see)* attempt to buy shares from discontented Pulitzers, bought them out for $187 million 1986. Family stock, etc. worth $620 million.

Reed

Seattle et al. Descendants of Sol G. Simpson, who cofounded Simpson Timber 1890. "Sleepy lumber company" to 1950s, diversified into paper-making. Reputation for shrewdly buying timber properties at fire sale prices, replanting for long term. Today over 750,000 acres West Coast timberland, including 200,000 acres redwood. High value-added white paper; redwood lumber. Value rising with exports to Asia, environmental pressure to limit cutting public lands. Great-grandson William Reed, 53, head since 1971. In 1987, after 3-year legal battle, last few nonfamily shares bought out; former owners kicking selves. Fewer than 50 descendants now own company believed worth $900 million or more.

Richardson

Greensboro, N.C., Connecticut et al. Descendants of Lunsford Richardson, teacher turned pharmacist, who bought drugstore in 1890s for $450. Developed home remedies, picked name from magazine ad for Vick's Seeds. Founded Vicks Family Remedies, predecessor of Richardson-Merrell, with life savings of $8,000, 1905. Main product, Vicks VapoRub; sales soared during influenza epidemic 1918-19. Added many over-the-counter products. Richardson-Merrell, to Dow Chemical 1981 for $80 million stock. Kept Richardson-Vicks (Clearasil, Nyquil), merged into Procter & Gamble 1985 for over $400 million. Bought into Vanguard Cellular Systems. Over 200 relatives share fortune over $765 million.

Rockefeller (John D.)

NYC et al. Descendants of John D. Rockefeller, world's first billionaire, founder Standard Oil. Frugal accounting clerk who invested in merchant grain business 1858; put $4,000 into oil refining 1863. Pretty good investment: 7 years later Standard Oil of Ohio; formed legendary monopoly. Furor led to Standard Oil trust breakup 1911. To marry Abby Aldrich, only son John Jr. gave her father long, earnest recital of his financial prospects (Mr. Aldrich was won over). Between them, 2 John D.s gave over $1 billion to charity—when a billion was still worth a billion. Jr. had 6 children: daughter Abby, sons J.D. III, Nelson, Winthrop (all deceased), and surviving sons Laurance, David *(which see)*. Nelson (Rocky) (d. 1979) 4-term liberal GOP N.Y. governor, 3-time contender for presidency, Ford's VP. Now John D. IV, one of 4 children of John D. III (d. 1978), Democratic W. Va. senator (also governor 1977-84), strongly considered 1992 presidential bid, mentioned as potential VP. David Jr. emerging as leader of his generation. Combined family fortune estimated $5.5 billion or more.

Rollins

Atlanta, Wilmington. Heirs of O. Wayne Rollins: farm boy; started at $10 for 72-hour week in textile mill during Depression; got into business with younger brother John *(which see)*. Brothers went on to build separate interests. O. Wayne's: pest control (Orkin Exterminating), media (Rollins Communications sold 1986 for $600 million; his share, $290 million), oil & gas, security systems, real estate, etc. Died Oct. 1991, estimated over $930 million; left $500 million to charity; legacy of religious values, family ties, hard work to family. Sons: R. Randall, 60, no college degree, chairman Rollins, Inc.; Gary W., 48, U. of Tenn., president Rollins, Inc. Estimated family net worth over $400 million.

Rose

NYC. Jerusalem-born David (d. 1986) cofounded Rose Associates with brother Samuel (d. early 1960s) in Bronx 1920s, then Manhattan. One of New York's oldest, biggest apartment builders, managers; now run by Samuel's sons: Daniel plans, Frederick builds, Elihu manages (all Yalies). Lesson from father, uncle: "The best fertilizer is the farmer's shadow on every piece of property." More than 6,400 NYC apartments, substantial Boston properties. Recently converted more than half their Manhattan units to co-ops. Avoid public eye. Frederick gave $15 million to Lincoln Center arts complex. "The world needs a Lincoln Center more than another shopping mall." Still estimated near $400 million.

Rosenwald

NYC et al. Inheritance. Julius Rosenwald (d. 1932) moved to NYC from hometown Springfield, Ill.; opened small clothing factory. Invested $35,000 in Sears, Roebuck & Co., bought out Alvah Roebuck 1895, Richard Sears 1913. Pioneered mail order; built world's largest retailer (until 1990; supplanted by Wal-Mart). Donated $50 million to education, etc. Five children sold some Sears stake, diversified into real estate, cable TV, magazines, etc. Son Lessing (d. 1979) former Sears chairman, donated art to Library of Congress. Daughter Edith Stern (d. 1980) civil rights activist. Son William, 89, helps run investment firm; former chairman United Jewish Appeal. Over 100 heirs share fortune believed at least $450 million.

Rudin

NYC. Real estate. Descendants of Lithuanian immigrant who arrived NYC 1883, age 15. Son Samuel (d. 1975) and brothers founded Rudin Management 1924 to run handful of Bronx, Manhattan apartment houses. Samuel's sons Jack, Lewis joined 1946. Family philosophy: never sell (still own first building, bought 1902). Today 3,300 apartments, 7 million sq. ft. prime Manhattan office space, mostly built pre-1972. Jack, 68, and Lew, 65, run operation. Lew founded Association for a Better New York. "We have real problems, and I want to do my part to solve them." Jack heads NYC Marathon committee. Debt higher than formerly thought; family fortune now estimated $500 million.

Russell
Alexander City, Ala. Descendants of Benjamin Russell, founder Russell Manufacturing Co. 1902. First garments ladies' vests. Benjamin died 1941. Son Ben C. took over, expanded company until untimely death 1945; brother Thomas took over. Russell Corp. now 35 plants Alabama, 5 Florida, 3 Virginia, 7 North Carolina, 2 Georgia. Big producer leisure wear, athletic uniforms (outfits 21 of 26 major league baseball teams); 1991 sales, $804 million. Innovation, commitment to quality command good prices. Now Benjamin, 53, grandson, director and major stockholder. Cousin, Nancy Russell, married to chairman, E.C. Gwaltney. Russells also own Russell Lands Inc., 25,000 woodsy acres Alabama. Family stock, etc. estimated $465 million.

Sammons
Dallas. Heirs of Charles A. Sammons (d. 1988), founder Sammons Enterprises. Built mixed bag of businesses: life insurance, cable TV, etc. Born Oklahoma 1898, orphaned early, raised by aunt. Moved to Plano, Tex. 1918 to trade hay and grain: "I couldn't find a job and I didn't know a business." Invested profits in bank stock; bank went bust. Entrepreneur then started insurance business, Reserve Life Insurance Co. Dallas 1938. Later tried cable; now about 1 million subscribers. Arranged estate to avoid dismembering company: 60% in foundations, 10% in ESOP, 30% in trust for descendants—only daughter, her 20 or so children and grandchildren. Family fortune now estimated $600 million.

Scripps (E.W.)
Cincinnati origin. Descendants E.W. Scripps (d. 1926), who began Cleveland Press age 24, 1878; founded UPI; both now gone. Built nation's one-time largest newspaper chain, Scripps Howard. Long history of family feuds: bitter split between E.W. and half brother James *(see family)*, who formed Evening News Association. Other children broke away on E.W.'s death 1926. Son James G. launched Scripps League Chain 1931. Original Scripps company went public 1988; now 19 dailies, 80% Scripps Howard Broadcasting: TV, radio, cable. Scripps descendants benefit from trust set up to prevent heirs from selling stock until next century. Net worth estimated $1.6 billion or more.

Scripps (J.E.)
Detroit et al. Heirs of English immigrant James Edmund Scripps *(see also E.W. Scripps family)*, who came to Illinois 1844. Launched Detroit News 1873: short, simple stories for little-educated factory workers, low price. Soon circulation 5 times size of any competitor. Formula worked Cleveland, Cincinnati, etc. Later bitter split with half-brother E.W. Scripps. J.E. merged with other papers; built Evening News Association. ENA headed by great-grandson Peter Bruce Clark when sold to Gannett for $717 million 1985. Booth Newspapers founded by George Booth, Scripps executive who married into family; sold for $300 million to Newhouse 1976. Over 200 descendants share fortune estimated $880 million.

Segerstrom
Orange County, Calif. Charles John Segerstrom arrived U.S. from Sweden 1882 with wife, 11 kids. Tenant farmers on 40 Orange Co. acres; bought more land with 4 youngest sons; d. 1928. By 1950s C.J. Segerstrom nation's leading grower dried lima beans. Developed some real estate: industrial space, shopping centers, offices. Firm headed by grandson Henry, 69; mother Nellie Ruth, 94; cousin Harold Jr., 64. Said to be conservative, stayed out of 1980s credit craze. "They never made a decision and left the room unless [all] supported it." Built one of largest U.S. malls, South Coast Plaza, Costa Mesa, Calif. 1967. Annual sales about $700 million. Three partners' equity in private company estimated over $400 million.

Smith
Chicago. Banking family descended from Solomon A. Smith, founded Merchants Savings 1857. Son Byron founded Northern Trust 1897. Family backed two Swedish toolmakers who founded Illinois Tool Works 1912. Smiths eventually took control,

Ambassador Roy Huffington at his desk in Vienna

The oil tycoon turned diplomat was appointed ambassador to Austria in 1990 and actively promotes investment in Eastern Europe. His charge should end next year, though—whether Bush is reelected or not. Huffington says he may return to the oil business.

Icahn's crash landing
Carl Icahn was so elated in August 1985 when he pulled off a hostile takeover of Trans World Airlines for some $400 million, he pranced around his office in a TWA pilot's cap and uniform jacket. But TWA has been nothing but trouble for the former billionaire. It filed Chapter 11 in January. Recently Icahn worked out a deal with the unions to take the carrier off his hands, but he's still waiting to hear from the pension board.

later expanded into fasteners. Developed plastic 6-pack carrier 1960s. Led by great-grandson Harold 1964-82 (d. 1990); today further diversification: packaging systems, engineering components, medical and computer supplies. Sales of $2.6 billion in 1991. Family is still active: Edward Byron Smith, 83, is on the board of directors; Harold Jr., 58, chairs executive committee. Smith family's 18.5% stake in Northern Trust, 29.1% Illinois Tool Work recently worth estimated $1.4 billion.

Smith (Charles E.)
Washington, D.C. Real estate. Russian immigrant Charles E. Smith, now 91, began building in Brooklyn, lost bundle in Depression. Moved to Washington, D.C. Lost shirt again, considered job in bar & grill; wife talked him out of it. Built rental apartments instead. Son Robert joined him 1950. The pair assembled land, including a railroad yard in Arlington 1960s, now turned into vast Crystal City complex. Family holdings include 17 million square feet offices, including Skyline City, Va. Charles retired, very charitable. Forgave $120,000 mortgage of retired Supreme Court Justice William Brennan Jr. Company run by formal, reserved Robert, 64, and his outgoing brother-in-law, Robert Kogod, 61. Low-key family shares fortune estimated at $600 million.

Stryker
Kalamazoo, Mich. Medical supplies. Grandfather Homer Stryker, orthopedic surgeon, invented mobile hospital bed. Got Army World War II contract; canceled at war's end. Turned to professional managers, sought to market beds to civilians. Business restored; invented new products: e.g., cast cutter that spares patient's skin. Company next run by Homer's son Lee (d. 1977). John Brown, the company's current chairman and CEO, took over, rebuilt sales force, cut costs. Went public 1979. Now products include orthopedic implants and equipment, drills, saws, hospital stretchers and beds, etc. Rule for division executives: grow 20% per year. "That's the law." Three siblings Ronda (director), Patricia, Jon control trust holding 11.43 million Stryker shares recently worth some $445 million.

Stuart
LA; Bellevue, Idaho et al. Grandfather Elbridge Amos Stuart founded Carnation Co. 1899 in Kent, Wash. Paid $25,000 for German evaporated milk process; supplied prospectors en route to Yukon. Built major food company. Much later: Coffeemate, Instant Breakfast, Friskies, etc. Sold to Nestlé 1985 for $3 billion. Grandson Dwight, 68, divorced 4 times; 5 children. Company president 1973-83; made decision to sell family's one-third share. Brother Elbridge, 75, married to noted paleontologist Marion Butler Stuart; 3 children. Carnation vice president to 1961; lives on isolated Idaho ranch. Two female cousins live in California with children. Family worth estimated $800 million.

Sulzberger
NYC. Tennessee newsman Adolph Ochs bought ailing paper for $75,000 in 1896; built New York Times to one of world's most respected newspapers. Daughter Iphigene married Arthur Hayes Sulzberger in 1917. Adolph died in 1935; Arthur took over; retired in 1961. Orvil E. Dryfoos, Iphigene's son-in-law, assumed post in 1961 (d. 1963). Iphigene's son Arthur Ochs (Punch, for allegedly rambunctious disposition) Sulzberger became publisher in 1963, age 37. Restructured: features on page one, expanded Metro section, added specialty sections including Living and Weekend. Went national. Raised circulation, now 1.8 million Sundays. Son Arthur Jr. publisher, taking hold of the reins. Iphigene died 1990; Punch presides over trust with Times shares worth $475 million. Family also still hangs on to original Chattanooga Times.

Swig
San Francisco. Real estate. Heirs of Ben Swig (d. 1980), who worked Boston while partner Jack Weiler handled NYC. Ben to SF 1946. Families built, bought commercial, hotel, resi-

dential properties. Swig, Weiler & Arnow now over 5 million sq. ft., mostly office space, NYC, SF. Swigs own posh SF Fairmont Hotel, 4 sister Fairmonts nationwide; bought out "non-growth-oriented" Weilers 1982; D.C. Fairmont in works. Ben's sons: Richard, 67, chairman; Mel, 75, does the real estate. Their brother-in-law Richard Dinner, 71, retired. "We're being very cautious in this market." Active Democrats; extremely philanthropic. "There are no pockets in shrouds." Estimated worth $450 million.

Taylor
Publishing. Boston origin. Descendants of Charles H. Taylor, who started as reporter for New York Tribune; took job as temporary manager of ailing Boston Globe but failed financially. With funding from Eben Jordan *(see family)*, cofounder of Jordan Marsh, rescued Globe; aligned with Democratic Party, expanded readership to working class. Within two years, company's first profit. Now largest New England paper managed by 3 Taylor generations. William O. Taylor, 60, chairman Affiliated Publications; invested in McCaw Cellular, spun off to shareholders 1989. With 13 million shares Affiliated, also large holding McCaw shares, proceeds of McCaw selloffs, etc., family estimated some $480 million.

Temple
Diboll, Tex. origin. Descendants of Thomas Louis Latane Temple Sr., who founded Southern Pine Lumber Co. 1893 on 7,000 east Texas timbered acres. Son Arthur inherited 1934: 200,000 acres, $2 million debt. Company survived. Grandson Arthur Jr. drove company to half-million-acre forest; earning $9.6 million annually by 1973; low debt. Developed selective harvesting methods. Today Temple-Inland seventh-largest private timberland owner: 1.8 million acres mostly east Texas, Louisiana, Georgia. Merged with Time 1973; spun off 1984. Arthur Jr., now 72, Time vice chairman 1978-83. Recently retired as chairman from Temple-Inland. Opposed Time Inc.'s merger with Warner Communications. Family fortune estimated some $860 million.

Turner
Grills, sports apparel, Coca-Cola stock. Columbus, Ga. W.C. Bradley founded company of same name 1885, currently in real estate, timberland, Sports Fantasy apparel stores, manufacturing; also barbecue grills. Now controlled by grandchildren William B. Turner, 69; Sarah Turner Butler, Elizabeth Turner Corn. Next generation: W.B. Jr., 40, is president; Stephen Turner Butler, 41, chairman, CEO. Also family investments: 9% Synovus Financial, etc. Long-term investors: 1.2% Coca-Cola held since early in century. Bradley-Turner Foundation supports religious, educational charities. "Specializing in their own backyard," explains employee. Net worth of family estimated around $800 million.

Unanue
Goya Foods. Secaucus, N.J.; Bayamón, Puerto Rico. Don Prudencio Unanue (d. 1976) left Spain for Puerto Rico 1904, eventually NYC. Spent $700 for small New York olive oil, fish-packing company 1936. Named Goya after sardine brand he imported. Opened Puerto Rico cannery 1949 for NYC immigrants who longed for tastes of home: rice and beans, olive oil, *pasteles*, etc. Sales surged with migration; dominates market. Company challenge: crack Anglo market. Strife among 4 sons. Oldest, Charlie, kept from running company, was bought out 1974; sued; bitter case pending. Second son died of leukemia 1976. Joseph A., 67, now runs U.S. operations; Frank J., 61, Puerto Rico. Family shares company estimated $400 million.

Upjohn
Kalamazoo, Mich. et al. Upjohn Co. Descendants of William Erastus Upjohn, who invented and patented first dissolvable pill. With brothers, founded Upjohn Pill & Granule Co. 1885. Incorporated 1909. Bought out brothers; appointed nephew Lawrence president 1929; stepson Donald Gilmore VP 1930. Upjohn first to manufacture mass antibiotics WWII. Discovered treatment for baldness, Rogaine, a.k.a. minoxidil; approved by FDA. Also sells Kaopectate, and is developing anti-AIDS compounds, etc. Upjohn will lose patents on major drugs by 1994; research driven; working on new products. First nonfamily chairman 1987. Great-grandson William Parfet now president; could be next chairman. Family stock worth some $960 million.

Watson
Southern California origin. Descendants of Juan José Dominguez, a Spanish foot soldier awarded 76,000-

Penthouse's first coverboy, George Foreman, and Robert Guccione, with some of the magazine's more standard fare

After years of outnuding Playboy, Guccione began featuring men on Penthouse covers. The rationale: newsstands would remove wrappers and give it better placement. Results: circulation down slightly.

acre land grant by King Carlos III of Spain, 1784, for service in Mexico and area known today as Los Angeles. Rancho San Pedro passed to nephew Cristóbal, then his descendants: granddaughter Dolores married Scottish-born gunslinger James Watson 1855. "A deadlier shot never fingered a revolver." Great-granddaughter Susana married William Huston, present chairman Watson Land Co., now owned by some 90 family members. Vast real estate holdings, warehouses, office space, business parks, oil interests in southern California estimated $450 million. Carson family, another Dominguez family branch, has real estate California, Arizona, Texas, estimated $230 million.

Watson (Thomas)

Armonk, N.Y. origin. Heirs of Thomas J. Watson (b. 1874), son of lumber dealer. Bookkeeper, $6 week. Peddled sewing machines. Joined National Cash Register, coined motto "THINK." Took motto with him; joined Computer-Tabulating-Recording Co. 1914 as president. Bought shares. Renamed 1924: "Selling genius"; IBM created, dominated punch-card accounting equipment market. Died 1956. Thomas Jr. took over $734 million (sales) IBM, ushered in computer age. Stepped down 1971 after heart attack; no other Watson in IBM. At 78, sails, flies stunt planes at Maine estate. Most family IBM stock still believed held, much in trusts. Including heirs of a deceased brother and 2 deceased sisters, family estimated $375 million.

Weyerhaeuser

St. Paul, Tacoma et al. Frederick Weyerhaeuser, 18-year-old German immigrant, worked in Illinois sawmill; bought it out of bankruptcy 1857 with brother-in-law. Chopped timber in swath from north central states to Pacific. Bought 900,000 acres at $6 per acre from railroad pioneer James Hill 1900. Merged several companies to form Weyerhaeuser Co. (Potlatch was largest), with interlocking directorates eliminated by grandson John Philip 1947. Great-grandson George, 66, retired as CEO 1991; company now headed by first nonfamily CEO in 92-year history. Company pioneered tree farming 1940s; even praised by environmentalists. Some 250 descendants share family fortune estimated over $980 million.

Whittier

Southern California. Descendants of Mericos H. (Max) Whittier, cofounder Belridge Oil 1911 with 4 partners; bought option on property in Bakersfield when he found oil seeping from ground; president until death 1925. Son Leland president 1965-79. Two families sold out to Texaco, Mobil 1930s; Whittier, Buck, Green families sold to Shell for $3.6 billion 1979; at time, biggest takeover ever, for 375 million bbl. proven oil reserves, plus gas, Kern County, Calif./Max's 4 children got $475 million after taxes. Family still owns small oil company: M.H. Whittier; production about 5,000 bbl./day. Charitable. Proceeds from Belridge sale, other assets estimated $700 million.

Wirtz

Chicago. Heirs of Arthur Wirtz, son of Chicago policeman, who built Chicago real estate fortune beginning 1922; by 1927 owned or managed 80 lakefront buildings. With grain speculator James Norris bought more in Depression. Brought skater Sonja Henie to U.S. 1936, acted as financial adviser, producer. Acquired sports arenas, including Madison Square Garden; split up by antitrust suit 1957. Died 1983. Eldest son William, 63, manages family liquor distributorship (among largest Illinois, Minnesota), real estate, banking, hotel interests. Also Chicago (hockey) Blackhawks and Chicago Stadium, where they play; wants to build new arena across street. Family estimated $550 million.

Wolfe

Columbus, Ohio et al. Descendants of brothers Robert and Harry, who amassed 19th-century fortune from Wear-U-Well shoes. Family entered media: bought Columbus Dispatch 1905; much later 2 TV stations, 2 radio, *Ohio* magazine. Also banking, real estate. Grandson Edgar Jr. died in plane crash 1975. Edgar III died of AIDS 1985; family feud over estate. Politically powerful Republicans. Avoid public eye. "The unwritten family policy has been not to get too far out front on things." Grandson John W., 64, his cousin John F. (publisher, CEO of Dispatch) direct 14-member family's affairs. Dispatch, broadcast outfits, stock make up fortune estimated $410 million.

Yates

Artesia, N.M. First commercial wells on New Mexico side of Permian Basin drilled by oilman Martin Yates Jr. 1921. Family legend: dry well after dry well until wife picked site; then hit gusher. Built rapidly 1920s: constructed pipeline, refinery. Sold refinery during Depression. Martin's sons—Harvey, S.P., Martin III and John—joined business, further built up Yates Petroleum. Harvey left 1963 after disastrous foray into mining forced sellout to his brothers; bounced back, rebuilt oil fortune as Harvey Yates Co. (Heyco). Third generation following second, in family business or on own (Harvey Jr. runs Cibola Energy Co.). Recent strikes; more production boosts family estimate over $600 million.

Being on The Forbes Four Hundred is no guarantee of staying on The Forbes Four Hundred. This year 43 individuals didn't. Seven died. Four fortunes were realigned into family groups; 4 were removed. And 28 found the economy too treacherous to handle this year.

Gone, but not forgotten

Died

Ludwig, Daniel Keith.
NYC. 95. Shipping, real estate. In bad health for some time. Wife, 2 stepchildren, daughter by early marriage, possible heirs. Even with reverses, fortune believed over $1 billion.

Meyer, August Christopher Sr.
Champaign, Ill. Heart attack, 91. Created Midwest Television 1952. Son August Jr. to inherit. Estimated last year $300 million, before inheritance tax.

Rollins, Orville Wayne.
Atlanta, Ga. 79. Founder, major shareholder in Rollins, Inc., RPC Energy Services. Much of $900 million fortune to charity, but widow will live off interest. Sons, brother remain as a family entry *(which see)*.

Rosenberg, Ruth Blaustein.
92. Baltimore. Daughter of Lithuanian immigrant Louis Blaustein (1869-1937), inventor of predecessor of modern railroad tank car; her brother Jacob (d. 1970) pioneered metered gas pump. Ruth prominent arts patron. Est. $300 million fortune likely passed to her 3 children.

Sharp, Peter Jay.
NYC; Edgartown, Mass. 61. Real estate developer, hotelier; large interests in Chicago Milwaukee Corp. Collector of Old Master paintings. Estimated $275 million fortune apparently divided among several family members.

Stephens, Wilton Robert.
84. Little Rock, Ark. Financier and southern Democratic political kingpin. Helped build third-largest investment house off Wall Street. His $450 million estate divided among his wife, 3 daughters and a son.

Walton, Samuel Moore.
Bentonville, Ark. 74. Founder of Wal-Mart Stores, nation's largest retailer. Survived by wife Helen and their 4 children, who share $25.5 billion in Wal-Mart stock.

Declined

Argyros, George Leon.
Newport Beach, Calif. 55. Slumping Orange County real estate holdings bring estimated net worth under this year's $265 million minimum.

Bluhm, Neil Gary
Malkin, Judd David
Partners. Winnetka, Ill.; Chicago. Both 54. JMB, their massive privately held real estate firm, remains saddled by more than $4 billion in debt, while values for its properties have slid 20% and more in Chicago, Los Angeles, Houston etc.

Chase, David Theodore.
W. Hartford, Conn. 63. All his media properties and real estate up for sale. Stated reason is Chase's desire to invest in his native Poland; highly leveraged Chase is also known to be facing a liquidity squeeze.

DeBartolo, Edward John.
Boardman, Ohio. 83. Still King of the Malls, with 72 million sq. ft., but plummeting real estate market and $4 billion debt puts him in bind. Selling assets; technically insolvent. But banks staying with him, properties top-notch. Stay tuned.

Durst, David M.
Durst, Royal H.
Durst, Seymour B.
Martha's Vineyard, Scarsdale, NYC. David, 67. Royal, 75. Seymour, 79. Brothers' real estate worth less this year owing to depressed NYC market and new info on debt load. Still, as family, estimated $600 million.

Fisher, John J.
Fisher, Robert J.
Fisher, William F.
San Francisco. John, 31. Robert, 37. William, 35. Sons of Donald George Fisher and wife Doris F. Fisher *(which see)*, founders of the Gap. Robert executive vice president. All Stanford M.B.A.s. Each son's Gap stock less than $265 million this year.

Goldman, Lillian.
Mill Neck, N.Y. 70. Her 33% share of NYC real estate empire built by late husband, Sol Goldman, feels general slump. But combined with estranged children's 67% makes an unhappy family estimated at $600 million.

Hardy, Joseph Alexander III and family.
Farmington, Pa. 69. Falling sales and shrinking profit margins hit family-owned 84 Lumber Co. with a two-by-four last year. Joe's big-spending ways (bought himself a British title in 1990, e.g.) didn't help.

Jobs, Steven Paul.
Palo Alto, Calif. 37. Revenues at Next Computer, Inc., his startup workstation firm, languished at $127 million in fiscal 1991. Jobs is threatening to take Next public in 1993, but firm has yet to fulfill analysts' expectations.

Landegger, George Francis
Landegger, Carl Clement
NYC; Rye, N.Y. George, 56. Carl, 62. Paper mills, machinery. Sales flat in cyclical market; George acquiring paper mills, taking on more debt. For this year, combined as a family estimated at least $500 million.

Lyon, William.
Coto de Caza, Calif. 70. California real estate values have plummeted 30% in last 2 years; highly leveraged Lyon has seen his equity squeezed. He has begun missing loan payments.

McCulloch, A. Donald Jr.
Bryn Mawr, Pa. 45. Nutri/System hurt by repercussions from lawsuits alleging gall bladder damage. Combine with recession and roughly fold in smaller diet center market. Good recipe for a dropout.

Morris, William Shivers III.
Augusta, Ga. 58. Morris made 2 mistakes in the 1980s: He overpaid for his highly leveraged Jacksonville, Fla. papers (1982) and then gambled on large billboard firm, Naegele (1985). Both caught up with him last year; the media slump continued and the billboard company went up for sale piecemeal at huge losses.

Price, Sol.
La Jolla, Calif. 76. Wholesale clubs. Founded Price Co. Stock has nosedived, taking his net worth with it. Recently est. about $200 million.

Rangos, John G. Sr.
Pittsburgh. 63. Wall Street punished Rangos for aggressive accounting at his landfill development firm, Chambers Development. Stock at near peak (36⅜) dropped to a low of 6¾.

Resnick, Burton Paul.
NYC, Rye, N.Y. 55. Plummeting NYC real estate values hit Resnick hard this past year. Citicorp took back 40 Wall Street when he was unable to continue paying $80 million mortgage.

Rhoads, D. Dean.
N. Palm Beach, Fla. 65. Creditors have assumed de facto control of most companies in Rhoads' Worldmark Group. Built 100% leverage in many deals through complex maze of overlapping ownership; house of cards finally crashed.

Rudin, Jack
Rudin, Lewis
NYC. Jack, 68. Lewis, 65. Brothers pounded by dropping values for space in NYC office buildings; debt higher than previously thought. Combined, estimated at $500 million.

Smart, Richard Palmer Kaleioku.
Honolulu and Waimea, Hawaii. 79. The Parker Ranch has been hit by slumping values in Hawaii real estate, stagnant cattle business. But, with no debt, still close to making this list.

Strawbridge, George Jr.
Colket, Tristram C.
Campbell Soup. Two of 9 grandchildren of John T. Dorrance Sr., chemist who turned America on to soup in cans *(see Dorrance et al.)*. George: Chester County, Pa. 55. Campbell stock down, with other assets estimated worth $260 million. Tristram: Paoli, Pa. 54. His shares recently worth $260 million.

Realigned

Clapp, Norton.
Seattle. 86. Principal heir Weyerhaeuser fortune, much in family trusts. Many descendants, Norton giving up over years control of assets worth some $650 million. Now family entry.

Houghton, Amory Jr.
Corning, N.Y. 66. Heir to Corning Glass Works fortune; noted congressman (R-N.Y.). Corning shares in family trust, Amory major trustee, but helping run a family fortune.

Slavik, James Donald.
Irvine, Calif. 40. Slavik insists that shares nebulously attributed on the W.W. Grainger proxy to "certain family-owned corporations" are not solely his. So be it.

Thalheimer, Louis.
48. Baltimore. CEO of Blaustein family company, Atapco. New information on family's inheritance pattern puts him with rest of Blaustein family, estimated at $1.5 billion.

Removed

Cox, John Lee.
Midland, Tex. 67. Erroneous oil production assumptions produced inflated figure last year. Real net worth believed closer to $240 million.

Dabah, Morris and family.
NYC. Manufacturing. Revising previous double-counting of shares of Gitano stock owned, falling price, leaves Dabah's stock worth $110 million.

Smith, Delford Michael.
McMinnville, Ore. 61. Cash flow estimates exaggerated company's apparent worth, while value of 49 airplanes, 86 helicopters drops with aircraft glut. Still carries big debt.

Stahl, Stanley Irving.
NYC. 68. Done in by a double-whammy: new information on his debt structure, sharply lower estimates for his NYC apartments and office space. ■

Lots of people want to be on The Forbes Four Hundred.
Hardly anyone wants to be on this list of almost-made-its.

There's always 1993

Leonard Riggio
Book retailing. NYC. 51. Married, 3 children. Worked days as NYU bookstore clerk to pay for night engineering school. "Read one book a night." Borrowed $5,000 in 1965, opened Student Book Exchange NYC. Late 1960s started buying college bookstores. Bought Barnes & Noble 1971. By 1975 largest in U.S. "We fielded every oddball request." Teamed 50-50 with now-ailing Dutch retail giant Vendex, acquired B. Dalton chain (nearly 750 bookstores), Doubleday bookshops, Scribner's, etc. Now world's largest bookseller, sales $1.5 billion, over 1,300 U.S. stores. Currently seeking about $100 million for further expansion. "Our typical customer: rich of mind, poor of wallet." Biggest ambition: write a book. Active Democratic politics. His interests estimated about $265 million; he claims much less.

Nan Tucker McEvoy
Publishing. San Francisco. 73. Divorced, 1 son. Granddaughter San Francisco Chronicle founder Michael H. de Young (d. 1925). Nan said to be only liberal member of family: former Peace Corps administrator, journalist, founder abortion clinic. Inherited largest share Chronicle Publishing after death of mother, Phyllis de Young Tucker, family matriarch and last of Michael's children (d. 1988). Some shares to Nan's son, Nion Tucker, editor-in-chief, Chronicle Books: "You hate to have them think, 'Well, when will good old mother die?' " Well-liked, active chairwoman. Chronicle Publishing owns 6 daily newspapers, 5 TV stations, cable, etc. Plans to keep family control. "It's a wonderful property." Her share estimated around $265 million.

Richard Palmer Kaleioku Smart
Inheritance, ranching. Honolulu and Waimea, Hawaii. 79. Divorced, 2 sons. Great-great-great-grandson of John Palmer Parker, Boston sailor landed in Hawaii. Hired by king of Hawaii to shoot wild cattle, married king's granddaughter with dowry of 2 acres. Assembled 50,000 more; domesticated island cattle. Orphaned Richard raised by grandmother. Left Stanford to become Broadway baritone for 25 years before running ranch. Won estate case against 200 other descendants. Today 225,000-acre Parker Ranch supplies about one-third Hawaii's beef, but business declining; first time shipping cattle to Canada. Land, cattle, art estimated worth $260 million. Probable heir: local prep school.

George Strawbridge Jr.
Tristram C. Colket Jr.
Campbell Soup. Two of 9 grandchildren of John T. Dorrance Sr., chemist who turned America on to soup in cans *(see Dorrance et al.)*. On death 1930 left $128 million estate to wife, 5 children; over 50% went to John Jr., one-eighth to each of 4 daughters, all deceased; their children, grandchildren inherited. George: Chester County, Pa. 55. Married, 2 children; divorced, remarried, 1 more child. U. of Pa. Ph.D., owns Augustin Stables in Chester, piece of Buffalo (hockey) Sabres. His stock, other assets estimated over $260 million. Tristram: Paoli, Pa. 54. Married, 3 children. After Trinity College attempted entrepreneurship, with mixed results. Founded Altair Airlines 1966, filed bankruptcy 1982. Most recent endeavor: reviving closed Cressona Aluminum Co. Avid sailor and flier. His shares worth recent $260 million.

William Barron Hilton
Hilton Hotels. Holmby Hills, LA. 65. Married; 8 children, 12 grandchildren. Son of legendary hotel magnate Conrad Hilton; showed little interest in father's business. Turned down father's job offer; salary too low. Navy photographer WWII. At 19 acquired Vita-Pakt Citrus Products Co. Formed aircraft leasing firm 1956. Finally joined Hilton 1954. President

1966; expanded company. Founded San Diego (football) Chargers 1960. Opportunity to sell company at nearly twice today's price lost 1990. But sold some properties before real estate bust; building up casino operations. Hunting, fishing, photography, ballooning. With family, recently opened Brentwood Country Estates development. Net worth estimated $260 million.

John W. Rollins Sr.
Vehicle leasing, hazardous waste, real estate. Greenville, Del.; Montego Bay, Jamaica. 76. Twice divorced; remarried 1960 Miss Universe; 6 sons, 3 daughters. No college. With late brother O. Wayne (d. Oct. 1991, *see family*) ran 80-acre Georgia family farm: "Growing up, if you slept past 4 a.m., my father felt you would never amount to anything." Tried several jobs; finally struck gold with simple idea: leasing cars to business. Late 1960s bought trucking giant Matlack. Also 16 other firms related to existing businesses. Expanded into hazardous waste treatment 1969. "Big John" founded/cofounded 5 firms listed in NYSE, Amex. Lost 1960 bid for Delaware governor by 6,400 votes. Estimated $260 million.

Arthur Charles Nielsen Jr. and family
A.C. Nielsen Co. Winnetka, Ill. 73. Married, 3 children. Arthur Sr. (d. 1980) founded market survey firm 1923. During Depression, people said they bought prestigious Lux soap, when they had economical Lifebuoy in their bag; soon firm was measuring sales, not words. Pioneered electronic meters to measure radio and television audiences 1940s. "For years my father would try and explain that his work was worth something. He couldn't get any takers." Result of persistence: became dominant company measuring TV ratings, grocery sales, etc. Arthur Jr. president 1956, CEO 1974. Company sold to Dun & Bradstreet 1984; A.C. retained as consultant. Family holdings estimated $255 million.

George Leon Argyros
Real estate. Newport Beach, Calif. 55. Married, 3 children. Born Detroit, raised Pasadena. Real estate broker after college (Michigan State, Chapman College); decided real estate was the way to wealth: "If you work hard, it's one of the frontiers that is left." Wisely chose growing California for frontier. Planned first subdivision 1963. Found good banker ("It's almost as important as your wife"). First apartments 1968; now owns 5,200 units Orange County. Also office parks, undeveloped land. Bought Seattle (baseball) Mariners 1981 for $13 million. Stingy owner; had majors' worst record, but sold at $50 million aftertax profit 1989. Today slumping California trims estimate of visible net worth to some $255 million.

Francesco Galesi
Real estate, manufacturing, telecommunications. NYC. 61. Divorced, remarried; 4 children. Middle of 5 sons of Italian real estate broker. Princeton. Built shopping centers with family, including one on former city landfill, 1960. Developed mammoth industrial complex from Army/Navy supply depots near Albany, N.Y.; now 8 million sq. ft. Built offices, shopping centers, owns 2,000-acre Jamaican plantation. Into telecommunications with startups, then acquisitions; active in planned merger of Advanced Telecommunications, LDDS, pending FCC approval. Would create fourth-largest long-distance company. Diversifying into hotels, industrial space: N.Y., Vt. Fortune estimated at least $250 million. ■

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Rules of the chase

OUR ESTIMATES of people's net worth are deliberately conservative. It is possible to say with some confidence that a person is worth more than a given amount; it is often extremely difficult or impossible to establish exactly how much more. Our basic operating principle is to think in terms of how much a prudent buyer, knowing what we know, might be willing to pay for a person's net assets.

To arrive at coherent estimates of wealth, FORBES adopts a number of basic rules:

■ Blocks of publicly traded stock are priced at the market close on Aug. 27.

■ Privately held companies are usually valued according to estimated earnings or, preferably, cash flow, and to prevailing ratios for similar companies in similar businesses.

■ When earnings and cash flow aren't known or are suspect, we adopt rule-of-thumb conventions common to the relevant industry. Television and radio stations, cable systems and some newspapers are valued for us by authoritative media brokers who track them professionally *(see Acknowledgments, p. 254)*.

■ Among oil and gas producers we rarely go beyond putting fair valuation on their reserves, to be conservative. Some oil and real estate magnates have substantial assets not in their own names, so in one or two cases we were forced to rely on consensus estimates of knowledgeable peers. These estimates, naturally, are treated cautiously.

Often it isn't even clear exactly who owns a great fortune. It is frequently parked, at least partly, in the names of the immediate family or concealed in private investment companies. Or, more difficult to find, it is held in trusts, where separate elements of ownership (control of principal, receipt of income, power to name heirs, etc.) are deliberately spread among different people to defend against inheritance-tax laws.

■ In the matter of trusts and other intrafamily arrangements, we proceed on a case-by-case basis, applying common sense. Most plainly exist to carry out a normal pattern of inheritance (to husbands, wives or offspring) and to minimize inheritance taxes. We look at who controls such wealth. Trusts are generally attributed to the person who created the wealth, if still alive and in control; or, if that person is not alive, to the principal controlling family member or members (and not the family lawyers).

Obversely, spendthrift trusts, which are meant to keep control out of the hands of beneficiaries, are not credited to the beneficiaries; only estimated trust income is counted.

Lawyers sometimes say a trust is "owned" by those who ultimately will receive the principal. Usually, that means the next generation of the family in question. But, in fact, the next generation often has no power to spend or invest principal or to disburse income to themselves. Some are still children; some of the heirs may be yet unborn.

It is difficult to take such "ownership" seriously, or to count so powerless an "owner" as one of the richest people in America. It is true that a controlling person's powers may be weakened by the limitations of a trust. But every other party's claim to present ownership is far weaker still.

Irrevocable charitable trusts and foundations are not counted as personal wealth at all.

Wealth in the names of spouses and other immediate family members is sometimes assigned to the principal family member, especially where ties are close. Where a family member's shares are sufficient to entitle him or her to a place among the richest people in America, however, we generally list him or her separately. And we do the same with immediate family members split by divorce or other internal family differences. ■

Name	Page	Residence	Age	Worth ($mil)	Primary sources
A					
Abraham, S. Daniel★	152	West Palm Beach, Fla.	68	600	Slim-Fast Foods
Abramson, Leonard★	156	Blue Bell, Pa.	59	550	U.S. Healthcare
Ackerman, Peter★	196	London	45	300	Junk bonds
Albertson, Joseph Albert	130	Boise, Idaho	86	930	Albertson's Inc.
Alexander, Norman E.	196	Scarsdale, N.Y.	78	300	Sequa Corp.
Allbritton, Joe Lewis	206	Houston	67	290	Media
Allen, Charles Jr.	187	NYC	89	350	Stock market
Allen, Herbert	187	NYC	84	350	Stock market
Allen, Herbert Anthony	187	NYC	51	350	Stock market
Allen, Paul Gardner	98	Mercer Island, Wash.	39	2800	Microsoft
Andersen family	219	Bayport, Minn.		650	Windows
Anderson, John Edward	162	Bel Air, Calif.	75	500	Beverage distribution
Andreas, Dwayne Orville and family	200	Bal Harbour, Fla.	74	300	Archer-Daniels-Midland
Annenberg, Walter Hubert	110	Wynnewood, Pa.	84	1600	Publishing
Anschutz, Philip Frederick	130	Denver	52	900	Oil
Anthony, Barbara Cox	101	Honolulu	69	2100	Inheritance (Cox Enterprises)
Argyros, George Leon ■†	250,254	Newport Beach, Calif.	55		Real estate
Arison, Ted	98	Tel Aviv, Israel	68	2850	Cruise ships
Arrillaga, John	188	Palo Alto, Calif.	54	350	Real estate
Ashton, Alan C.	136	Orem, Utah	50	840	WordPerfect
Autry, Orvon Gene	193	Los Angeles	85	315	Broadcasting
Avery, Alice O'Neill and family	207	Los Angeles	75	275	Inheritance (real estate)
B					
Bacardi family	219	Puerto Rico; Miami et al.		800	Liquor
Ballmer, Steven Anthony	121	Bellevue, Wash.	36	1100	Microsoft
Bancroft family	219	NYC		1600	Inheritance (Dow Jones)
Baoudjakdji, Millicent V. and family	136	Los Angeles	52	415	Inheritance
Barbey family	219	California et al.		540	Inheritance (VF Corp.)
Bass, Anne Hendricks★	208	NYC; Fort Worth	51	270	Divorce
Bass, Edward Perry	120	Fort Worth	47	1100	Investments
Bass, Lee Marshall	106	Fort Worth	36	1700	Investments
Bass, Robert Muse	113	Fort Worth	44	1400	Investments
Bass, Sid Richardson	106	Fort Worth	49	1700	Investments
Bastian, Bruce W.	136	Orem, Utah	44	840	WordPerfect
Batten, Frank Sr.	152	Virginia Beach, Va.	65	600	Publishing
Bean (Gorman) family	219	Freeport, Me.		600	Inheritance (L.L. Bean)
Bechtel, Stephen Davison Jr. and family	112	San Francisco	67	1500	Engineering
Behring, Kenneth Eugene	192	Blackhawk, Calif.	64	330	Developer
Belfer, Arthur Bejer and family	166	NYC	84	470	Oil
Belk family	219	Charlotte, N.C.		550	Retailing
Bennett, William Gordon	155	Las Vegas	67	550	Circus Circus Enterprises
Benson, Craig Robert	161	Rye, N.H.	38	415	Cabletron Systems
Berkley, William Robert	208	Greenwich, Conn.	46	265	Food processing
Berry, Jack Monteith Sr. and family	207	Winter Haven, Fla.	75	280	Citrus
Berry, John William Sr. and family	166	Dayton, Ohio	70	475	Yellow Pages
Binger, Virginia McKnight	194	Wayzata, Minn.	76	310	Inheritance (3M)
Bingham family	220	Louisville origin		400	Publishing
Blank, Arthur★	148	Atlanta	50	500	Home Depot
Blaustein family	220	Baltimore		1500	Inheritance (Oil)
Blech, David★	206	NYC	36	295	Biotech investments
Block family	220	NYC area		650	Inheritance (Block Drug)
Bloomberg, Michael Rubens★	189	NYC	50	350	Financial news service
Bluhm, Neil Gary ■	250	Winnetka, Ill.	54		Real estate
Borg, Malcolm Austin	202	Englewood, N.J.	54	300	Publishing
Bredin, Octavia Mary du Pont	171	Greenville, Del.	79	430	Inheritance (Du Pont Co.)
Bren, Donald Leroy	114	Newport Beach, Calif.	60	1300	Real estate
Brennan, Bernard F.	182	Winnetka, Ill.	54	375	Montgomery Ward
Brittingham family	220	Mexico; Dallas		475	Del-Tile Group

★ New entry. ☆ Returnee. ■ Dropout. † Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Broad, Eli	170	Los Angeles	58	450	Housing
Bronfman, Edgar Miles	101	NYC	63	2350	Seagram Co.
Brown family	220	Louisville		1100	Inheritance (whiskey)
Brown, Jack	188	Midland, Tex.	67	350	Oil
Buffett, Susan Thompson	184	San Francisco	60	370	Berkshire Hathaway
Buffett, Warren Edward	93	Omaha	62	4400	Stock market
Busch family	220	St. Louis		1300	Anheuser-Busch
Butt, Charles C.	174	San Antonio	54	400	Grocery stores
C					
Cafaro, William Michael and family	144	Hubbard, Ohio	79	700	Shopping malls
Campbell family	222	Hawaii et al.		700	Inheritance (real estate)
Cantor, Bernard Gerald ☆	196	Beverly Hills	75	300	Cantor Fitzgerald Inc.
Cargill, James R. and family	134	Minneapolis	68	850	Inheritance (Cargill, Inc.)
Cargill, Margaret and family	134	La Jolla, Calif.	72	850	Inheritance (Cargill, Inc.)
Carlson, Curtis LeRoy	137	Long Lake, Minn.	78	800	Entrepreneur
Carver, Lucille	158	Muscatine, Iowa	75	525	Inheritance (Bandag, Inc.)
Catsimatidis, John Andreas ★	189	NYC	44	350	Supermarkets
Chambers, Anne Cox	101	Atlanta	72	2100	Inheritance (Cox Enterprises)
Chandler family	222	Los Angeles et al.		1300	Times Mirror Co.
Chase, David Theodore ■	250	West Hartford, Conn.	63		Real estate
Clapp family	222	Seattle		650	Inheritance (Weyerhaeuser)
Clapp, Norton ■	251	Seattle	86		Inheritance (Weyerhaeuser)
Clark family	222	Cooperstown, N.Y.		425	Singer Manufacturing Co.
Clayton, James Lee ★	208	Knoxville, Tenn.	58	265	Mobile homes
Close family	222	Fort Mill, S.C.		460	Textiles
Cohn, Seymour	183	Palm Beach County, Fla.	82	375	Real estate
Colket, Tristram C. ■†	251,252	Paoli, Pa.	54		Inheritance (Campbell Soup)
Collier family	222	Naples, Fla. et al.		1200	Inheritance (real estate)
Comer, Gary Campbell	179	Chicago	64	400	Lands' End
Congel, Robert J.	204	Fayetteville, N.Y.	57	300	Shopping malls
Connell, Grover	192	Westfield, N.J.	74	340	Equipment leasing
Conover, Catherine Mellon	198	Washington, D.C.	56	300	Inheritance
Cook, Jane Bancroft and family	150	Cohasset, Mass.	80	610	Inheritance (Dow Jones)
Cook, William Alfred	154	Bloomington, Ind.	61	550	Catheters
Cooke, Jack Kent	130	Middleburg, Va.	79	900	Real estate
Cooke, Phoebe Hearst and family	136	San Francisco	65	415	Inheritance
Coors family	222	Golden, Colo.		400	Beer
Copley, Helen Kinney	150	La Jolla, Calif.	69	620	Publishing
Cosby, William Henry Jr. ★	200	Amherst, Mass.	55	300	Television
Coulter, Joseph ★	162	Miami Springs, Fla.	67	495	Blood counters
Coulter, Wallace Henry	162	Miami Springs, Fla.	70s	500	Blood counters
Cowles (Gardner) family	222	Minneapolis; NYC et al.		480	Inheritance (newspapers)
Cox, John Lee ■	251	Midland, Tex	67		Oil
Crown, Lester and family	116	Wilmette, Ill.	67	1300	Inheritance
Cullen family	224	Houston et al.		500	Inheritance (oil)
Culverhouse, Hugh Franklin	187	Tampa, Fla.	73	360	Real estate
Currier, Andrea	198	The Plains, Va.	36	300	Inheritance
Currier, Lavinia M.	198	The Plains, Va.	35	300	Inheritance
Currier, Michael S.	198	NYC	31	300	Inheritance
D					
Dabah, Morris and family ■	251	NYC	67		Gitano Group
Darden, Constance Simons du Pont	171	Norfolk, Va.	88	430	Inheritance (Du Pont Co.)
Dart, William A.	171	Sarasota, Fla.	65	425	Dart Container
Davenport, Elizabeth Lupton	163	Lookout Mountain, Tenn.	59	500	Coca-Cola bottler
Davidson, William Morse	128	Bloomfield Hills, Mich.	69	950	Guardian Industries
Davis, Artemus Darius ★	156	Walden, Colo.	86	300	Winn-Dixie Stores
Davis, James Elsworth	156	Jacksonville, Fla.	85	540	Winn-Dixie Stores
Davis, Marvin Harold	114	Beverly Hills	67	1400	Oil

★ New entry. ☆ Returnee. ■ Dropout. † Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Davis, Shelby Cullom	148	Tarrytown, N.Y.	83	680	Investment banking
Dayton family	224	Minneapolis et al.		1000	Dayton-Hudson
DeBartolo, Edward John ■	250	Boardman, Ohio	83		Shopping centers
Dedman, Robert Henry Sr.	137	Dallas	66	800	Country clubs
Dell, Michael	194	Austin, Tex.	27	310	Dell Computer
de Menil family	224	Houston, NYC		430	Inheritance (Schlumberger Ltd.)
DeVos, Richard Marvin	100	Ada, Mich.	66	2500	Amway
de Young family	224	San Francisco et al.		1000	Newspapers
Dillon family	224	Far Hills, N.J.		450	Inheritance (Dillon, Read)
Disney, Roy Edward	158	Los Angeles	62	530	Inheritance (Walt Disney Co.)
Dixon, Fitz Eugene Jr.	198	Lafayette Hill, Pa.	69	300	Inheritance
Dixon, Suzanne Searle ☆	201	Lake Forest, Ill.	61	300	G.D. Searle & Co.
Dolan, Charles Francis	171	Oyster Bay, N.Y.	66	430	Cable television
Donnelley family	224	Chicago origin		1170	R.R. Donnelley & Sons
Dorrance, Bennett	118	Paradise Valley, Ariz.	46	1100	Inheritance (Campbell Soup)
Dorrance, John T. III	118	Devil's Tower, Wyo.	48	1100	Inheritance (Campbell Soup)
du Pont (Pierre Samuel) family	226	Wilmington, Del. et al.		8600	Inheritance (Du Pont Co.)
du Pont, Alexis Felix Jr. and family	187	Wilmington, Del.	86	350	Inheritance (Du Pont Co.)
du Pont, Irénée Jr. and family	171	Montchanin, Del.	72	430	Inheritance (Du Pont Co.)
du Pont, Willis Harrington and family	194	Palm Beach, Fla.	56	300	Inheritance (Du Pont Co.)
Duke, Doris	138	Somerville, N.J.	79	750	Inheritance
Duke, Jennifer Johnson ★	202	Jacksonville, Fla.	51	300	Inheritance (Johnson & Johnson)
Durst family	226	NYC et al.		600	Real estate
Durst, David M. ■	250	NYC	67		Real estate
Durst, Royal H. ■	250	NYC	75		Real estate
Durst, Seymour B. ■	250	NYC	79		Real estate
Dyson, Charles Henry	174	NYC	83	400	Conglomerator
E					
Earhart, Anne Catherine Getty	182	Laguna Beach, Calif.	40	380	Inheritance (oil)
Edson, John Orin	156	Seattle	60	550	Manufacturing
Ellis, Alpheus Lee	170	Tarpon Springs, Fla	86	460	Banking
Ellison, Lawrence Joseph	154	Atherton, Calif.	48	575	Oracle Corp.
Engelhard, Jane B.	183	Far Hills, N.J.	74	375	Inheritance
Evans, James Emmett and family	194	Dade City, Fla.	92	310	Citrus grower
Evans, Thomas Mellon	206	NYC	82	290	Investments
F					
Farish family	226	Houston origin		400	Inheritance (oil)
Farmer, Richard T.	186	Indian Hill, Ohio	57	360	Cintas Corp.
Feeney, Charles F.	130	London, England	61	900	Duty Free Shoppers
Field, Frederick W. (Ted)	145	Beverly Hills	40	700	Inheritance (department stores)
Field, Marshall V	145	Lake Forest, Ill.	51	300	Inheritance (department stores)
Fireman, Paul B.	152	Newton, Mass.	48	600	Reebok
Fisher, Donald George	150	San Francisco	64	600	The Gap
Fisher, Doris F.	150	San Francisco	61	600	The Gap
Fisher, John J. ■	251	San Francisco	31		The Gap
Fisher, Lawrence and family	179	NYC	82	400	Real estate
Fisher, Max Martin	184	Franklin, Mich.	84	370	Oil
Fisher, Robert J. ■	250	San Francisco	37		The Gap
Fisher, William F. ■	250	San Francisco	35		The Gap
Fisher, Zachary and family	179	NYC	81	400	Real estate
Flagler family	226	Palm Beach, Fla. et al.		500	Inheritance (oil)
Flint, Lucile du Pont and family	171	Greenville, Del.	77	430	Inheritance (Du Pont Co.)
Ford, Josephine Clay	138	Grosse Pointe Farms, Mich.	69	425	Inheritance (Ford Motor Co.)
Ford, William Clay	138	Grosse Pointe Shores, Mich.	67	750	Inheritance (Ford Motor Co.)
Forman, Michael Robert	201	Bel Air, Calif.	57	300	Real estate
Franchetti, Anne and family	144	Seal Cove, Me.	70s	410	Milliken & Co.
Freeman, Mansfield	156	Greensboro, Vt.	97	400	American International Group

★ New entry. ☆ Returnee. ■ Dropout. † Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Fribourg, Michel and family	127	NYC	79	1000	Grain trader
Frist, Thomas F. Jr. and family★	168	Nashville	54	470	Hospital Corp. of America
Frost, Phillip	148	Miami Beach, Fla.	55	630	Pharmaceuticals
Fuqua, John Brooks☆	208	Atlanta	74	275	Investments
G					
Galesi, Francesco†	252	NYC	61		Real estate, manufacturing
Gallo, Ernest	194	Modesto, Calif.	83	300	Wine
Gallo, Julio	194	Modesto, Calif.	82	300	Wine
Galvin, Robert William	161	Barrington Hills, Ill.	70	500	Motorola
Gates, Charles Cassius Jr. and family	154	Denver	71	560	Gates Corp.
Gates, William Henry III	92	Seattle	36	6300	Microsoft
Gaylord, Edward Lewis	134	Oklahoma City	73	850	Broadcasting
Geffen, David	134	Malibu, Calif.	49	850	Music
Getty, Caroline Marie	182	San Francisco	35	380	Inheritance (oil)
Getty, Eugene Paul (J. Paul Jr.)	183	London, England	60	370	Inheritance (oil)
Getty, Gordon Peter	114	San Francisco	58	1350	Inheritance (oil)
Glazer, Guilford	179	Beverly Hills	71	400	Real estate
Goizueta, Roberto Crispulo★	193	Atlanta	60	315	Coca-Cola
Goldman family	226	NYC area		600	Inheritance (real estate)
Goldman, Lillian ■	250	Mill Neck, N.Y.	70		Inheritance (real estate)
Goldman, Rhoda H. and family	160	San Francisco	68	475	Levi Strauss stock
Gonda family	226	Beverly Hills		470	Aircraft leasing
Goodson, Mark	170	NYC	77	450	Game shows
Gore family	228	Newark, Del.		575	Gore-Tex
Gottwald, Bruce Cobb	192	Richmond, Va.	59	310	Ethyl Corp.
Gottwald, Floyd Dewey Jr.	192	Richmond, Va.	70	330	Ethyl Corp.
Graham family	228	Washington, D.C.		565	Washington Post Co.
Grainger, David William	208	Skokie, Ill.	64	270	W.W. Grainger
Green, Pincus	136	Zug, Switzerland	57	800	Commodities trader
Greenberg, Maurice (Hank)	156	NYC	67	530	American International Group
Guccione, Robert Charles	202	NYC	60	300	Publishing
Gund family	228	Cleveland origin		1600	Inheritance (coffee, banking)
H					
Haas, Fritz Otto	160	Ambler, Pa.	77	500	Rohm & Haas
Haas, John Charles	160	Villanova, Pa.	74	500	Rohm & Haas
Haas, Josephine B. and family	160	San Francisco	60s	500	Levi Strauss stock
Haas, Peter E. Jr and family	160	San Francisco	45	340	Levi Strauss stock
Haas, Peter E. Sr and family	124	San Francisco	73	1000	Levi Strauss stock
Haas, Robert D. and family	160	San Francisco	50	310	Levi Strauss stock
Haas, Walter A. Jr. and family	160	San Francisco	76	310	Levi Strauss stock
Hall, Donald Joyce	128	Mission Hills, Kans.	64	950	Hallmark Cards
Hamilton, Dorrance Hill	142	Wayne, Pa.	64	725	Inheritance (Campbell Soup)
Hammons, John Quentin	205	Springfield, Mo.	70	300	Hotels
Harbert, John Murdoch III	144	Birmingham, Ala.	71	700	Construction
Hardie, Mary Jane Hollis	186	Marysville, Calif.	70	360	Newspapers
Hardy, Joseph Alexander and family ■	250	Farmington, Pa.	69		Building supplies
Hearst, David Whitmore Jr. and family	136	Los Angeles	47	415	Inheritance
Hearst, George Randolph Jr.and family	136	Los Angeles	64	415	Inheritance
Hearst, Randolph Apperson and family	136	NYC	76	825	Inheritance
Hearst, William Randolph Jr.and family	136	NYC	84	825	Inheritance
Heinz, Teresa F.	162	Fox Chapel, Pa.	54	500	H.J. Heinz Co.
Helmsley, Harry Brakmann	127	NYC	83	1000	Real estate
Herb, Marvin	174	Chicago, Ill.	55	400	Coca-Cola bottler
Hess, Leon	150	NYC	78	600	Amerada Hess Corp.
Hewlett, William Redington	121	Portola Valley, Calif.	79	1100	Hewlett-Packard
Heyman, Samuel J.	120	New York	53	1100	GAF Corp
Hill, Margaret Hunt and family	126	Dallas	76	1000	Inheritance (oil)
Hillenbrand family	228	Batesville, Ind. et al.		1700	Caskets, hospital beds

★ New entry. ☆ Returnee. ■ Dropout. † Near Miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Hillman, Henry Lea	100	Pittsburgh	73	2400	Industrialist
Hillman, Howard Butcher	196	Greenwich, Conn.	58	300	Inheritance
Hillman, Tatnall Lea	196	Radnor, Pa.	54	300	Inheritance
Hilton, William Barron†	252	Holmby Hills, Calif.	66		Hotels
Hixon family	228	Pasadena, Calif.		800	Electrical connectors
Hobby, Oveta Culp and family	178	Houston	87	400	Media
Hoiles, Harry Howard	186	Colorado Springs, Colo.	76	360	Newspapers
Hollingsworth, John D.	154	Greenville, S.C.	74	600	Textile machinery
Horvitz family	228	Cleveland area; Ft. Lauderdale		815	Inheritance (media)
Hostetter, Amos Barr Jr.	163	Boston	54	500	Continental Cablevision
Houghton family	228	Corning, N.Y.		890	Corning Glass Works
Houghton, Amory Jr. ■	251	Corning, N.Y.	66		Corning Glass Works
Howard, Robert Staples	206	Rancho Santa Fe, Calif.	68	285	Publishing
Hoyt family	228	NYC area; Santa Fe		610	Carter-Wallace
Hubbard, Stanley Stub	198	St. Mary's Point, Minn.	59	300	Broadcasting
Huffington, Roy Michael	174	Houston	74	400	Oil
Hughes family	230	Calif.; Nev. et al.		500	Inheritance (real estate)
Huizenga, Harry Wayne	154	Fort Lauderdale, Fla.	54	560	Blockbuster Video
Hunt, Caroline Rose and family	163	Dallas	65	500	Inheritance (oil)
Hunt, Johnnie Bryan	183	Goshen, Ark.	65	375	J.B. Hunt Transport
Hunt, Ray Lee and family	110	Dallas	49	1500	Inheritance (Oil)
Hunting family	230	Grand Rapids, Mich.		600	Steelcase
Huntsman, Jon Meade	156	Salt Lake City	55	550	Plastics
Hyde, Joseph Reeves III★	207	Memphis	49	285	Auto parts
I					
Icahn, Carl Celian	148	Bedford, N.Y.	56	650	Financier
Idema family	230	Grand Rapids, Mich.		600	Steelcase
Ilitch, Michael	162	Troy, Mich.	63	500	Little Caesar Pizza
Ingram, Erskine Bronson	150	Nashville	60	600	Barges
Irvine family	230	Middleburg, Va. et al.		350	Inheritance, lawsuits
J					
Jacobs, Jeremy Maurice	163	East Aurora, N.Y.	52	500	Sports concessions
Jacobs, Richard E.	200	Lakewood, Ohio	67	300	Shopping centers
Jamail, Joseph Dahr Jr.	178	Houston	66	400	Pennzoil settlement
Jenkins family	230	Lakeland, Fla.		845	Publix Super Markets
Jobs, Steven Paul ■	251	Palo Alto, Calif.	37		Computers
Johnson, Barbara Piasecka	128	Princeton, N.J.	55	990	Inheritance
Johnson, Charles★	155	Hillsborough, Calif.	59	550	Franklin Resources
Johnson, Edward Crosby III and family	112	Boston	62	1500	Investment management
Johnson, James Loring★	202	Hunterdon Cty., N.J.	47	300	Inheritance (Johnson & Johnson)
Johnson, Rupert Jr.★	155	Hillsborough, Calif.	52	400	Franklin Resources
Johnson, Samuel Curtis	112	Racine, Wis.	64	1500	Johnson Wax
Jordan family	230	Boston origin		610	Inheritance (publishing, retailing)
K					
Kaiser, George B.★	208	Tulsa	50	265	Gas
Kauffman, Ewing Marion	142	Mission Hills, Kans.	76	725	Marion Laboratories
Keck, Howard Brighton	183	Los Angeles	79	370	Superior Oil Co.
Keck, William Myron II	183	Los Angeles	50	270	Superior Oil Co.
Keinath, Pauline MacMillan and family	134	St. Louis, Mo.	58	560	Inheritance (Cargill, Inc.)
Kelley family	230	Honolulu		400	Hotels
Kelly, William Russell	172	Troy, Mich.	86	410	Kelly Services
Kennedy family	230	Boston origin		350	Inheritance
Kerkorian, Kirk	120	Beverly Hills	75	1100	Investments
Kimmel, Sidney★	166	Philadelphia	64	480	Jones Apparel Group
King family	230	Short Hills, N.J.; NYC et al.		380	King World Productions
Kleberg family	232	King Ranch, Tex.		800	Inheritance (real estate)

★ New entry. ☆ Returnee. ■ Dropout. † Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Kluge, John Werner	92	Charlottesville, Va.	78	5500	Metromedia
Knight, Philip Hampson	104	Hillsboro, Ore.	54	1900	Nike, Inc.
Koch, Charles de Ganahl	118	Wichita, Kans.	56	1250	Inheritance
Koch, David Hamilton	118	NYC	52	1250	Inheritance
Koch, Frederick Robinson	162	Monaco; NYC	58	500	Inheritance (oil services)
Koch, William Ingraham	162	Palm Beach, Fla.	52	500	Inheritance (oil services)
Kohlberg, Jerome Spiegel Jr.	172	Mount Kisco, N.Y.	67	500	Leveraged buyouts
Kovner, Bruce ★	205	NYC	47	300	Trading
Kravis, Henry R.	158	NYC	48	500	Leveraged buyouts
Krehbiel, John Hammond Sr. and family	178	Lisle, Ill.	86	400	Molex, Inc.
Kroc, Joan Beverly	121	Rancho Santa Fe, Calif.	64	1100	Inheritance (McDonald's)
L					
Landegger family	232	NYC; Rye, N.Y.		500	Inheritance (pulp/paper mills)
Landegger, Carl Clement ■	251	NYC; Rye, N.Y.	62		Inheritance (pulp/paper mills)
Landegger, George Francis ■	251	NYC; Rye, N.Y.	54		Inheritance (pulp/paper mills)
Lauder, Estée	124	NYC	84	1000	Cosmetics
Lauder, Leonard Alan	124	NYC	59	1000	Cosmetics
Lauder, Ronald Steven	124	NYC	48	1000	Cosmetics
Lauren, Ralph	144	NYC & vicinity	53	700	Apparel
Lawrence, M. Larry	206	Coronado, Calif.	66	300	Real estate
LeFrak, Samuel Jayson	116	NYC	74	1300	Real estate
Lebensfeld, Harry	189	NYC	88	350	UIS, Inc.
Leininger, James Richard ★	206	San Antonio, Tex.	48	285	Specialty hospital beds
Lennon, Fred A.	138	Chagrin Falls, Ohio	86	750	Valves
Lerner, Alfred	168	Shaker Heights, Ohio	59	465	Banking
Lesher, Dean Stanley	204	Orinda, Calif.	90	300	Newspapers
Levine, Leon ☆	182	Charlotte, N.C.	55	380	Family Dollar Stores
Levine, Stuart Robert	161	Stratham, N.H.	34	500	Cabletron Systems
Lewis, Reginald F.	178	Easthampton, N.Y.	49	400	LBOs
Lilly family	232	Indianapolis et al.		1000	Pharmaceuticals
Lindemann, George L.	145	Greenwich, Conn.	56	685	Cable, cellular
Lindner, Carl Henry Jr. and family	170	Cincinnati	72	450	Insurance
Littlefield, Edmund Wattis	207	Burlingame, Calif.	78	280	General Electric
Litwin, Leonard	191	NYC	76	340	Real estate
Louis, John Jeffery	142	Winnetka, Ill.	67	725	Inheritance (Johnson Wax)
Ludwig, Daniel Keith ■	250	NYC	deceased		Shipping, real estate
Lund, Sharon Disney ☆	193	Los Angeles	55	320	Inheritance (Walt Disney Co.)
Lupton, John Thomas	163	Lookout Mountain, Tenn.	66	500	Coca-Cola bottler
Lurie, Robert Alfred	179	San Francisco	63	400	Inheritance
Lykes family	232	Florida et al.		770	Real estate, banking
Lyon, William ■	251	Coto de Caza, Calif.	70		Real estate
M					
MacMillan, Cargill Jr. and family	134	Palm Springs, Calif.	64	560	Inheritance (Cargill, Inc.)
MacMillan, John Hugh III and family	134	Hillsboro Beach, Fla.	64	560	Inheritance
MacMillan, W. Duncan and family	134	Wayzata, Minn.	63	560	Inheritance (Cargill, Inc.)
MacMillan, Whitney and family	134	Minneapolis	64	560	Inheritance (Cargill, Inc.)
Magness, Bob John	148	Englewood, Colo.	68	640	Telecommunications Inc.
Malkin, Judd David ■	250	Winnetka, Ill.	54		Real estate
Malone, Mary Alice Dorrance	118	Coatesville, Pa.	42	1100	Inheritance (Campbell Soup)
Mandel, Jack N.	174	Shaker Heights, Ohio	80	400	Premier Industrial Corp.
Mandel, Joseph C.	174	Lyndhurst, Ohio	78	400	Premier Industrial Corp.
Mandel, Morton L.	174	Shaker Heights, Ohio	71	400	Premier Industrial Corp.
Manoogian, Richard Alexander	182	Grosse Pointe Farms, Mich.	56	380	Masco
Marcus, Bernard ★	148	Atlanta	63	675	Home Depot
Marion, Anne Windfohr	178	Fort Worth	53	400	Inheritance
Maritz, William Edward and family	202	St. Louis	63	300	Maritz Inc.
Markkula, Armas Clifford Jr.	192	Woodside, Calif.	50	320	Apple Computer
Marriott family	232	Washington, D.C. et al.		660	Hotels, food service

★ New entry. ☆ Returnee. ■ Dropout. † Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Mars, Forrest Edward Jr.	101	McLean, Va.	61	2250	Candy
Mars, Forrest Edward Sr.	101	Las Vegas	80s	2250	Candy
Mars, John Franklyn	101	Arlington, Va.	57	2250	Candy
Marshall, Barbara Hall	128	Kansas City, Mo.	69	475	Inheritance (Hallmark Cards)
Marshall, James Howard II	155	Houston	87	550	Oil
Mathile, Clayton Lee	187	Dayton, Ohio	51	360	Iams Co.
May, Cordelia Scaife	150	Ligonier, Pa.	64	600	Inheritance
May, Irene Sophie du Pont	171	Wilmington, Del.	91	430	Inheritance (Du Pont Co.)
May, Peter	152	NYC	49	300	Leveraged buyouts
McCaw, Bruce R.	180	Seattle	46	300	McCaw Cellular
McCaw, Craig O.	180	Bellevue, Wash.	43	390	McCaw Cellular
McCaw, John Elroy Jr.	180	Seattle	41	300	McCaw Cellular
McCaw, Keith W.	180	Seattle	39	300	McCaw Cellular
McClatchy family	232	Sacramento et al.		480	Inheritance (newspapers)
McCulloch, A. Donald Jr. ■	251	Bryn Mawr, Pa.	45		Diet centers
McEvoy, Nan Tucker†	252	San Francisco	73		Publishing
McGlothlin, James and family	189	Bristol, Tenn.	52	350	Coal
McGovern, Patrick Joseph	174	Nashua, N.H.	55	400	Publishing
McGraw family	232	NYC et al.		550	McGraw-Hill
McLane, Robert Drayton Jr.	182	Temple, Tex.	56	380	Food wholesaling
Mead family	233	Wisconsin Rapids, Wis.		660	Consolidated Papers
Meijer family	233	Grand Rapids, Mich. et al.		800	Retailing
Mellon family	233	Pittsburgh area		5000	Inheritance
Mellon, Paul	124	Upperville, Va.	85	1000	Inheritance
Mellon, Richard Prosser ☆	198	Ligonier, Pa.	53	300	Inheritance
Mellon, Seward Prosser ☆	198	Ligonier, Pa.	50	300	Inheritance
Mellon, Timothy	198	Manchester, N.H.	50	300	Inheritance
Mennen family	233	Morristown, N.J.		730	The Mennen Co.
Meyer, August Christopher Sr. ■	250	Champaign, Ill.	deceased		Broadcasting
Milbury, Cassandra Mellon ☆	198	Ligonier, Pa.	52	300	Inheritance
Milken, Lowell Jay and family★	189	Los Angeles	43	275	Financier
Milken, Michael Robert and family	189	Dublin, Calif.	46	350	Financier
Milliken, Gerrish Hill and family	144	Greenwich, Conn.	75	410	Textiles
Milliken, Minot King and family	144	NYC	76	410	Textiles
Milliken, Roger and family	144	Spartanburg, S.C.	76	725	Textiles
Mills, Alice Francis du Pont and family	187	Middleburg, Va.	79	350	Inheritance (Du Pont Co.)
Mitchell, George Phydias	158	Houston	73	530	Oil and gas
Monaghan, Thomas Stephen	156	Ann Arbor, Mich.	55	550	Pizza
Moncrief, William Alvin Jr. (Tex)	200	Fort Worth	72	300	Oil
Moody, Robert Lee and family	158	Galveston, Tex.	57	530	American National Insurance
Moore, Gordon Earle	145	Santa Clara County, Calif.	63	680	Intel Corp
Moore, Jerry J.	166	Houston	64	500	Shopping centers
Moores, John Jay	172	Sugar Land, Tex.	48	415	BMC Software
Moran, James Martin	144	Hillsboro Beach, Fla.	74	700	Toyota
Morris, William Shivers III ■	251	Augusta, Ga.	58		Newspapers
Murdoch, Keith Rupert	98	NYC	61	2600	Publishing
Murdock, David Howard	127	Bel Air, Calif.	69	1000	Investments
Murphy family	233	El Dorado, Ark.		500	Oil
N					
Naify, Marshall☆	166	San Francisco	72	345	Tele-Communications
Naify, Robert Allen	166	San Fransisco	70	495	Tele-Communications
Nielsen, Arthur Charles Jr. and family†	252	Winnetka, Ill.	73		A.C. Nielsen Co.
Newhouse, Donald Edward	93	NYC	63	3500	Publishing
Newhouse, Samuel Irving Jr.	93	NYC	64	3500	Publishing
Noorda, Raymond J.★	137	Provo, Utah	68	800	Novell, Inc.
Nordstrom family	233	Seattle		970	Retailing
Norris family	234	Marshalltown, Iowa origin		500	Lennox International
Norris, Diana Strawbridge	142	Palm Beach, Fla.	53	340	Inheritance (Campbell Soup)

★ New entry. ☆ Returnee. ■ Dropout. † Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
O					
O'Connor family	234	Victoria, Tex.		500	Inheritance
O'Neill, Richard Jerome	207	San Juan Capistrano, Calif.	69	275	Inheritance (real estate)
P					
Packard, David	106	Los Altos Hills, Calif.	80	1800	Hewlett-Packard
Pamplin, Robert Boisseau Jr. ★	196	Portland, Ore.	50	300	Textiles
Pamplin, Robert Boisseau Sr.	196	Portland, Ore.	80	300	Textiles
Park, Roy Hampton	158	Ithaca, N.Y.	82	525	Park Communications
Parker, Jack and family	297	NYC	77	275	Real estate
Pearson, Edith du Pont and family	194	Montchanin, Del.	80	300	Inheritance (Du Pont Co.)
Peery, Richard Taylor	188	Palo Alto, Calif.	52	350	Real estate
Peltz, Nelson	152	Palm Beach, Fla.	50	600	Leveraged buyouts
Pennington, Claude B. (Doc) and family	205	Baton Rouge, La.	92	300	Oil
Pennington, William Norman	155	Reno, Nev.	69	430	Circus Circus Enterprises
Perdue, Franklin Parsons ☆	201	Salisbury, Md.	72	300	Perdue Farms
Perelman, Ronald Owen	94	NYC	49	2900	Leveraged buyouts
Perenchio, Andrew Jerrold	138	Bel Air, Calif.	61	765	Television
Perot, Henry Ross	100	Dallas	62	2400	Electronic data management
Perry, Claire Eugenia Getty	182	Laguna Beach, Calif.	38	380	Inheritance (oil)
Petersen, Robert Einar	192	Beverly Hills	66	325	Publishing
Petrie, Milton	121	Southampton, N.Y.	90	1000	Petrie Stores
Pew family	234	Philadelphia origin		440	Inheritance (Sun Oil Co.)
Phipps family	234	Pittsburgh origin		2500	Inheritance (steel)
Pictet, Marion MacMillan and family	134	Hamilton Beach, Bermuda	59	560	Inheritance (Cargill, Inc.)
Pigott family	234	Seattle origin		710	Inheritance (Paccar, Inc.)
Pitcairn family	234	Bryn Athyn, Pa. et al.		950	Inheritance (PPG Industries)
Pohlad, Carl Ray	138	Minneapolis	77	765	MEI Corp.
Price, Sol ■	251	La Jolla, Calif.	76		Price Co.
Pritzker, Jay Arthur	106	Chicago	70	1700	Financier
Pritzker, Robert Alan	106	Chicago	66	1700	Financier
Pulitzer family	234	St. Louis et al.		620	Inheritance (publishing)
R					
Rangos, John G. Sr. ■	251	Pittsburgh	63		Waste management
Rainwater, Richard	180	Fort Worth	48	390	Investments
Redstone, Sumner Murray	94	Newton Centre, Mass.	69	3250	Movie theaters
Reed family	236	Seattle et al.		900	Lumber, paper
Reid, Elizabeth Ann	128	Denton, Tex.	69	475	Inheritance (Hallmark Cards)
Reinhart, Dewayne B.	182	La Crosse, Wis.	72	390	Food wholesaler
Resnick, Burton Paul ■	251	NYC, Rye, N.Y.	55		Real estate
Reynolds, Donald Worthington	130	Las Vegas	86	950	Publishing
Rhoads, D. Dean ■	251	N. Palm Beach, Fla.	65		Industrialist
Rich, Marc	136	Zug, Switzerland	57	800	Commodities trader
Rich, Robert Edward Sr.	163	Buffalo, N.Y.	79	500	Food products
Richardson family	236	Greensboro, N.C. et al.		765	Inheritance (Richardson-Vicks)
Riggio, Leonard†	252	NYC	51		Book stores
Rinker, Marshall Edison (Doc) Sr.	200	Palm Beach, Fla.	87	300	Concrete
Roberts, George R.	158	San Francisco	49	500	Leveraged buyouts
Robinson, Jesse Mack and family	186	Atlanta	69	365	Banking
Rockefeller (John D.) family	236	NYC et al.		5500	Inheritance (oil)
Rockefeller, David Sr. and family	118	NYC	77	1100	Inheritance
Rockefeller, Laurance Spelman and family	124	NYC	82	1000	Inheritance
Rockefeller, Winthrop Paul	128	Morrilton, Ark.	43	950	Inheritance
Rollins family	236	Atlanta; Wilmington		400	Inheritance
Rollins, John W. Sr.†	252	Greenville, Del.	76		Entrepreneur
Rollins, Orville Wayne ■	250	Baltimore	deceased		Rollins Inc.
Rose family	236	NYC et al.		400	Real estate

★ New entry. ☆ Returnee. ■ Dropout. † Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Rosenberg, Ruth Blaustein ■	250	Atlanta	deceased		Inheritance (oil)
Rosenwald family	236	NYC et al.		450	Inheritance (Sears, Roebuck)
Rowling, Reese McIntosh and family	163	Corpus Christi, Tex.	64	500	Oil and gas
Rudin family	236	NYC		500	Inheritance (real estate)
Rudin, Jack ■	251	NYC	68		Inheritance (real estate)
Rudin, Lewis ■	251	NYC	65		Inheritance (real estate)
Russell family	238	Alexander City, Ala.		465	Athletic wear
Rust, Eleanor Francis du Pont	171	Thomasville, Ga.	85	430	Inheritance (Du Pont Co.)
Ryan, Patrick George	172	Chicago	55	410	Insurance
S					
Sakioka, Katsumasa (Roy) and family	191	Costa Mesa, Calif.	93	350	Real estate
Sammons family	238	Dallas		600	Inheritance (broadcasting)
Sarofim, Fayez Shalaby	190	Houston	63	600	Money mangement
Saul, B. Francis II	200	Chevy Chase, Md.	60	300	Inheritance
Scaife, Richard Mellon	142	Pittsburgh	60	750	Inheritance
Scharbauer, Clarence Jr.	182	Midland, Tex.	67	375	Inheritance (oil, land)
Schwan, Marvin Maynard	126	Sioux Falls, S.D.	63	1000	Ice cream
Scripps (E.W.) family	238	Cincinnati origin		1600	Inheritance (newspapers)
Scripps (J.E.) family	238	Detroit et al.		880	Inheritance (newspapers)
Searle, Daniel Crow ☆	201	Winnetka, Ill.	66	300	G.D. Searle & Co.
Searle, William Louis ☆	201	Lake Forest, Ill.	64	300	G.D. Searle & Co.
Segerstrom family	238	Orange County, Calif.		400	Real estate
Sharp, Peter Jay ■	250	Edgartown, Mass.	deceased		Real estate
Shorenstein, Walter Herbert	182	San Francisco	77	375	Real estate
Silliman, Mariana du Pont	171	Montchanin, Del.	81	430	Inheritance (Du Pont Co.)
Simmons, Harold Clark	134	Dallas	61	900	Investments
Simmons, Richard Paul ★	193	Sewickley, Pa.	61	315	Allegheny Ludlum
Simon, Melvin	205	Indianapolis	66	300	Shopping centers
Simon, William Edward	208	New Vernon, N.J.	64	275	Leveraged buyouts
Simplot, John Richard and family	155	Boise, Idaho	83	550	Potatoes
Singleton, Henry Earl	156	Los Angeles	75	545	Teledyne
Skaggs, Leonard Samuel Jr.	170	Salt Lake City	69	455	American Stores
Slavik, James Donald ■	251	Irvine, Calif.	40		W.W. Grainger
Smart, Richard Palmer Kaleioku ■†	251, 252	Honolulu	79		Inheritance
Smith (Charles E.) family	240	Washington, D.C.		600	Real estate
Smith, Delford Michael ■	251	McMinnville, Ore.	61		Air carriers
Smith family	238	Chicago origin		1400	Illinois Tool Works
Smith, Richard Alan	154	Chestnut Hill, Mass.	67	575	General Cinema Corp.
Solheim, Karsten ★	170	Phoenix	81	450	Golf clubs
Solomon, Russell	189	Sacramento	67	350	Tower Records
Solow, Sheldon Henry	192	NYC	64	330	Real estate
Sommer, Viola	179	NYC	71	400	Inheritance (real estate)
Sorenson, James LeVoy	137	Salt Lake City	71	800	Medical devices
Soros, George	138	NYC	62	785	Money manager
Spangler, Clemmie Dixon Jr. and family	180	Chapel Hill, N.C.	60	390	Investments
Spanos, Alexander Gus	179	Stockton, Calif.	69	400	Real estate
Spelling, Aaron	201	Holmby Hills, Calif.	69	300	Television
Stahl, Stanley Irving ■	251	NYC	68		Real estate
Steinberg, Saul Philip	200	NYC	53	300	Financier
Stempel, Ernest E.	156	Hamilton, Bermuda	76	300	American International Group
Stephens, Jackson Thomas and family	170	Little Rock, Ark.	69	455	Investment banking
Stephens, Wilton Robert ■	250	Little Rock, Ark.	deceased		Investment banking
Stern, Leonard Norman	137	NYC	54	800	Pet supplies
Strawbridge, George Jr. ■†	251, 252	Chester County, Pa.	55		Inheritance (Campbell Soup)
Stryker family	240	Kalamazoo, Mich.		445	Medical supplies
Stuart family	240	Los Angeles, et al.		800	Inheritance (Carnation Co.)
Sulzberger family	240	NYC		475	New York Times
Swig family	240	San Francisco		450	Real estate

★ New entry. ☆ Returnee. ■ Dropout. † Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
T					
Taper, Sydney Mark and family	189	Beverly Hills	91	350	First Charter Financial Corp.
Tauber, Laszlo Nandor	166	Potomac, Md.	77	500	Real estate
Taubman, Adolph Alfred	179	Bloomfield Hills, Mich.	67	400	Real estate
Taylor family	242	Boston origin		480	Inheritance (publishing)
Taylor, Jack Crawford	174	St. Louis	70	400	Auto rental
Temple family	242	Diboll, Tex. origin		860	Inheritance (timber)
Terra, Daniel James	171	Chicago	81	445	Lawter International
Thalheimer, Louis ■	251	Baltimore	48		Inheritance (oil)
Thorne, Oakleigh Blakeman	207	Millbrook, N.Y.	60	280	Commerce Clearing House
Tisch, Laurence Alan	113	NYC	69	1400	Loews Corp.
Tisch, Preston Robert	113	NYC	66	1400	Loews Corp.
Turner family	242	Columbus, Ga. origin		800	Real estate, sports apparel
Turner, Robert Edward (Ted) III	104	Roswell, Ga.	54	1900	Turner Broadcasting System
Tyson, Barbara	138	Fayetteville, Ark.	43	600	Tyson Foods
Tyson, Donald John	138	Springdale, Ark.	62	790	Tyson Foods
U					
Ueltschi, Albert Lee	166	Irving, Tex.	75	495	FlightSafety International
Unanue family	242	Secaucus, N.J. et al.		400	Goya Foods
Upjohn family	242	Kalamazoo, Mich. et al.		960	Inheritance (Upjohn Co.)
V					
Van Andel, Jay	100	Ada, Mich.	68	2500	Amway
Van Beuren, Hope Hill	142	Newport, R.I.	58	650	Inheritance (Campbell Soup)
Vogel, Jacqueline Mars	101	Bedminster, N.J.	52	2250	Candy
W					
Wagner, Cyril Jr.	188	Midland, Tex.	58	350	Oil
Walton, Alice L.	93	Rogers, Ark.	43	5100	Inheritance (Wal-Mart Stores)
Walton, Helen ★	93	Bentonville, Ark.	73	5100	Inheritance (Wal-Mart Stores)
Walton, James Lawrence	118	Bentonville, Ark.	70	1250	Wal-Mart Stores
Walton, Jim C.	93	Bentonville, Ark.	44	5100	Inheritance (Wal-Mart Stores)
Walton, John T.	93	San Diego	47	5100	Inheritance (Wal-Mart Stores)
Walton, S. Robson	93	Bentonville, Ark.	48	5100	Inheritance (Wal-Mart Stores)
Walton, Samuel Moore ■	250	Bentonville, Ark.	deceased		Wal-Mart Stores
Ward, Louis Larrick	179	Kansas City, Mo.	72	400	Russell Stover Candies
Washington, Dennis	150	Missoula, Mont.	58	600	Entrepreneur
Wasserman, Lewis Robert	183	Palm Springs, Calif.	79	370	MCA
Watson family	242	Southern Calif. origin		450	Real estate
Watson (Thomas) family	243	Armonk, N.Y. origin		375	International Business Machines
Weber, Charlotte Colket	142	Ocala, Fla.	49	650	Inheritance (Campbell Soup)
Wege family	230	Grand Rapids, Mich.		600	Steelcase
Weis, Robert Freeman	191	Sunbury, Pa.	73	345	Weis Markets, Inc.
Weis, Sigfried	191	Lewisburg, Pa.	76	300	Weis Markets, Inc.
Wexner, Bella Cabakof	180	Columbus, Ohio	78	395	The Limited, Inc.
Wexner, Leslie Herbert	104	New Albany, Ohio	55	1800	The Limited, Inc.
Weyerhaeuser family	243	St. Paul; Tacoma et al.		980	Inheritance (timber)
Whitney, Betsey Cushing Roosevelt	142	Manhasset, N.Y.	84	750	Inheritance
Whittier family	243	Southern Calif.		700	Inheritance (oil)
Wirtz family	243	Chicago origin		550	Inheritance (real estate)
Wolfe family	243	Columbus, Ohio et al.		410	Inheritance (newspapers)
Wrigley, William	128	Lake Geneva, Wis.	59	965	Wrigley's
Y					
Yates family	243	Artesia, N.M.		600	Oil
Z					
Zell, Samuel	172	Chicago	51	425	Real estate
Ziff, William Bernard Jr.	116	Manalapan, Fla.	62	1300	Publishing

★ New entry. ☆ Returnee. ■ Dropout. † Near miss.

C3950 -1

Interview with Margaret Thatcher:

European Union is dead—good riddance

October 26, 1992 Four Dollars

Forbes

Stock promoter Robert Brennan

WHY CAN'T THEY STOP HIM?

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CONGRESSIONAL INFO SER
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BETHESDA MD 20814-3319

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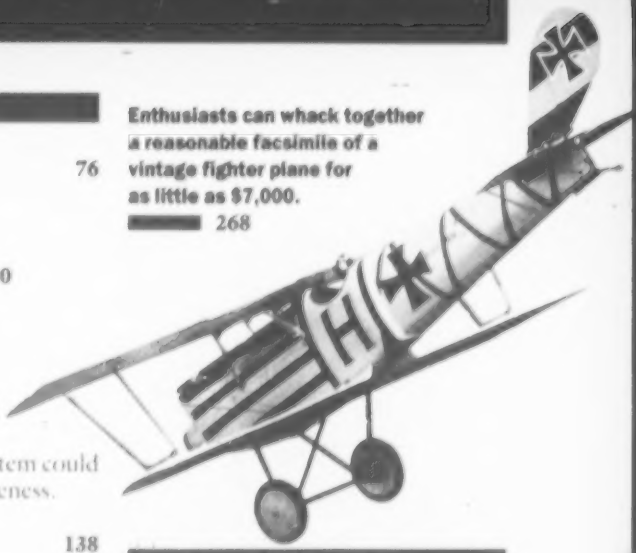
Cover photo by The Star Ledger



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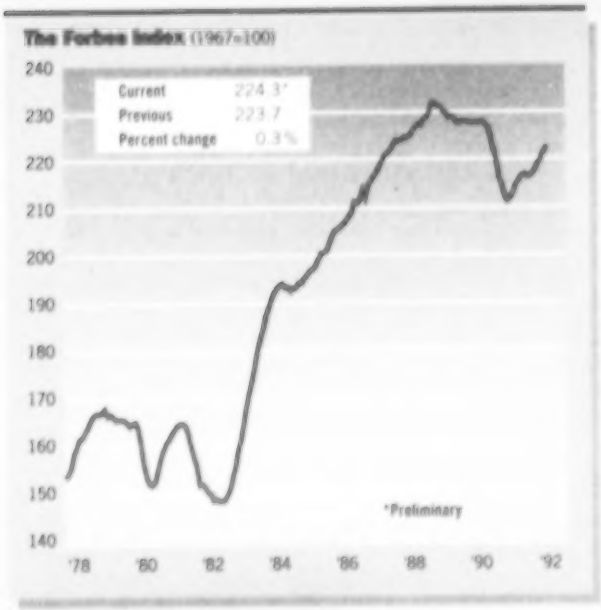
THE FORBES INDEX

BY ROBERT ROSENSTEIN



Don't expect much improvement in the economy in the fourth quarter, says Robert Dederick, chief economist at Northern Trust Co. His bleak assessment is apparently shared by the American public: The Conference Board's consumer confidence index has fallen three months in a row, to its lowest level since March 1992. The Forbes Index eked out a 0.3% gain for August (preliminary figure). Contributing: a 1.4% rise in the 12-month moving total of new housing starts, and a 1.7% fall in the 6-month moving total of new unemployment claims.

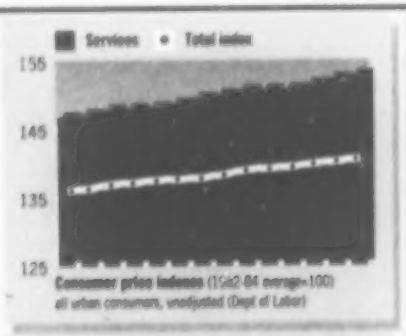
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.0%
Auto sales year to date vs. 1991[1]	Ward's Automotive	0.7%
Index of leading indicators Aug vs July	Dept of Commerce	-0.2%
Trade balance 12 months ended July 1992	Dept of Commerce	-$72bil
All-commodity producer price index Aug vs July[2]	Dept of Labor	-0.2%
GDP 2nd quarter vs 1st—annualized growth	Dept of Commerce	1.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.3%

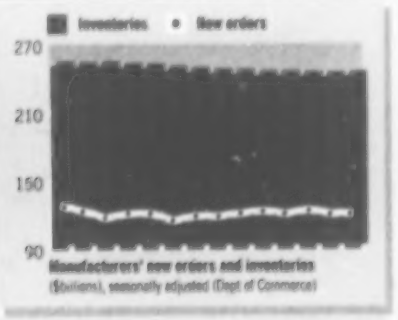
[1] U.S.-based manufacturers, excludes imports, as of 9/20/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

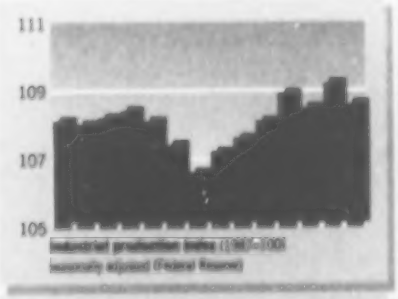
Index components

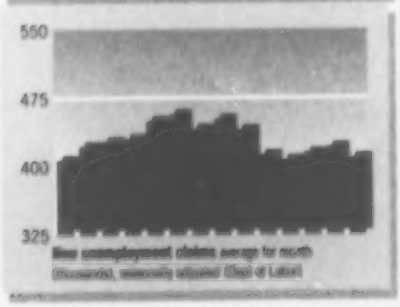
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: The cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total industrial production, new housing starts, personal income, new claims for unemployment compensation, total retail sales, total consumer installment credit.

To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.







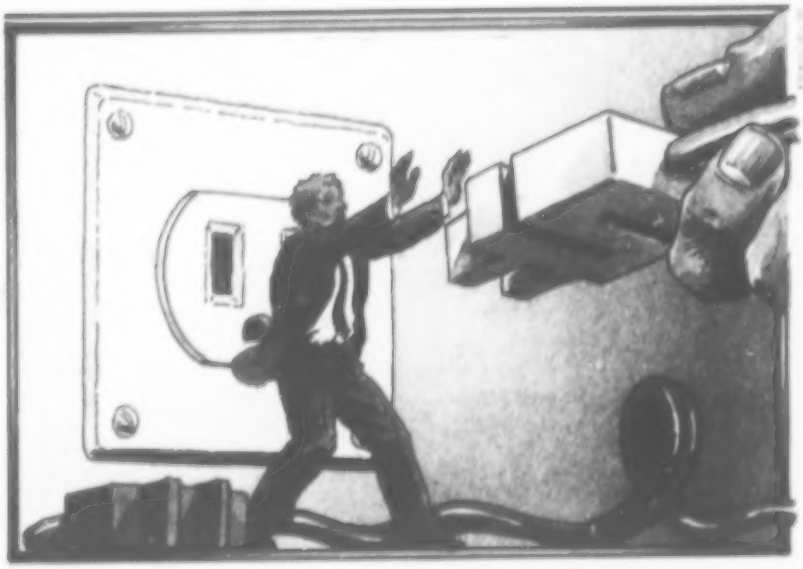


J A S O N D J F M A M J J A J A S O N D J F M A M J J A J A S O N D J F M A M J J A

With regulators changing the rules of the game, more and more utilities are trying to lower their sales.

Demand-siders

By Paul Klebnikov



PACIFIC GAS & ELECTRIC plans to invest $2 billion this decade to encourage its customers to use electricity more efficiently. By giving out rebates and credits for the installation of better insulating windows, compact fluorescent lights, industrial motors with variable-speed drives and other energy efficient equipment, PG&E hopes to cut growth in electricity demand by 75%, or the equivalent of 2,500 megawatts of new capacity. To build that much generating capacity would cost around $5 billion at today's prices—assuming the plants could make it through the environmentalists' gauntlet.

PG&E is not alone. It is one of many electric utilities that are investing large sums in so-called demand-side management.

How do utilities get a return on these investments? That's a subject that's been debated since the 1970s energy crisis. Under pressure from conservationists, some 30 states, led by California, Oregon, New York, Massachusetts and Maine, have now changed utilities' rate structures to try to make demand-side investments as profitable as investments in new power plants. Many states now allow utilities to recover their demand-side investments by including them in the rate base, the same way a new plant would be included. In these cases the utilities must capitalize these expenditures and recover them over a period of years. In other states they are allowed to treat them as operating costs, and recover them immediately.

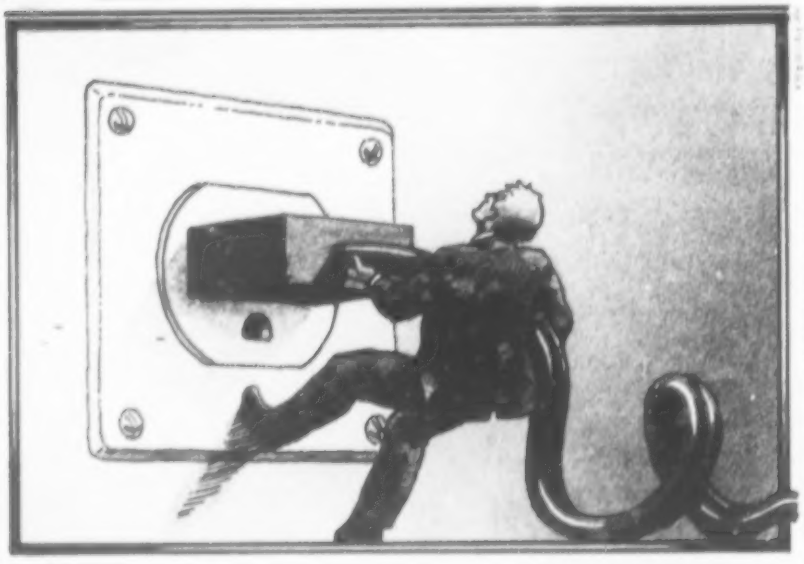
Since demand-side programs essentially decrease a utility's sales, many states allow utilities to make up for such "lost sales" by earning the same profits (though not all the revenues) they would have received if electricity demand had grown and been satisfied with new plants. Another popular approach, pioneered by California, is to calculate the savings on the average electricity bill resulting from the demand-reduction pro-

Demand-side management: when less is more

Company	DSM program costs ($mil)	"Profits"[1] ($mil)	DSM program "margins"	Operating revenue[2] ($mil)	Net profit[2] ($mil)	5-year ROE	Recent price	Latest 12-mo P/E	Yield
Consolidated Edison	$76	$38	33%	$5,873	$530	12.5%	31¼	12.9	6.0%
New England Electric	92	15	14	2,094	180	11.7	38⅞	12.8	6.0
New York State Elec & Gas	26	17	40	1,556	148	11.4	31⅝	13.3	6.6
Niagara Mohawk	45	18	29	3,383	243	8.1	19⅝	12.1	4.1
Pacific Gas & Electric	185	45	20	9,778	1,026	11.5	31⅛	12.0	5.5
Puget Sound Power & Light	42	17	29	957	113	13.1	26⅜	12.5	6.7
SCECorp	107	4	4	7,503	703	14.4	45¼	12.9	6.2

[1]Compensation for lost sales and profit incentives. [2]Fiscal 1991. Sources: Value Line via Lotus One Source; company data

Utilities are allowed to raise rates to cover the cost of demand-side programs, to compensate for lost sales and to earn an incentive pretax profit. The profit incentive/lost sales compensation often results in a large "margin" on the program. All utilities have different rules, but for many, DSM programs add significantly to overall profitability.



gram, and allow the utility to earn a portion of that—typically 15%—through rate increases. In other words, a utility that aggressively implements a demand-side program may end up with stagnant, or even falling, sales but more profits per dollar of revenues.

As a result of these incentives, utility demand-side programs are growing rapidly, though you wouldn't be able to learn this by looking at the financial statements. In 1990 utilities invested about $1 billion on demand-side programs. In 1991 the figure was about $1.5 billion; this year it will be even higher.

"There is a veritable stampede across the country [into demand-side investments]," says John Anderson, executive director of the Electricity Consumers Resource Council, an association representing companies like General Motors, Dow Chemical and Bethlehem Steel. Utilities on the East and West Coasts, facing the most pressure in siting new power plants and in getting the expenditures approved, have led the charge.

Some utilities have racked up nice profits on their demand reduction investments *(see table, p. 134)*. PG&E spent $185 million on its demand-side program in 1991, was allowed to recover those expenditures and get an additional $45 million in various pretax profit incentives—equivalent to a 20% pretax margin on the program. New York-based Consolidated Edison had a a 33% "margin" on its program. Note, however, that after this year, populist regulators in California and New York say they are going to crack down somewhat on those high margins, proving once again that no good deed should go unpunished.

Not everyone loves demand-reduction programs. Some consumers are unhappy with the rate increases that demand-side programs entail, even when the programs also result in lower average bills. Another criticism has come from Anderson, who argues that with a demand-side program a utility becomes a "taxing agency" that subsidizes some customers while raising rates for everybody. That is, consumers that are rewarded with rebates for making demand-reduction investments come out ahead at the expense of ratepayers in general. Anderson grouses that companies that have already invested their own funds in energy-efficiency improvements now have to pay higher rates to subsidize the same improvements for laggard companies.

But expect demand-side programs to continue to proliferate. The Edison Electric Institute estimates that over the 1990s demand side management will obviate the need for 24,800 megawatts of new electricity capacity, the equivalent of 72 coal-fired plants. In the long run, using power more efficiently is in everyone's best interests. ■

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Selling infant formula used to be a gentlemanly game of calling on doctors and hospitals. Now it's a cutthroat business.

Baby milk wars

By Marcia Berss

BRUTISH COMPETITION is breaking out in the $1.6 billion a year U.S. market for infant formula. The combatants: Abbott Laboratories, Bristol-Myers Squibb, American Home Products and Nestlé S.A.'s Carnation Co. Of the four, Nestlé/Carnation has the most to gain, Abbott the most to lose.

Infant formula used to be marketed solely as a pharmaceutical product. The producers' salespeople called on pediatricians, who recommended one product or another to young mothers, who bought whatever the doctors ordered at their local drug and grocery stores. At the request of the American Academy of Pediatrics, there was no direct consumer marketing of infant formulas; the pediatricians' group feared that advertising would encourage mothers to switch from breast feeding to using infant formulas. (The latter, agree pediatricians, are nutritionally inferior to mother's milk.)

This comfortable little marketing system was first shaken in 1988, when the federal government directed the states to buy all their infant formula from one manufacturer, to get lower prices. This was a serious shock. The states purchase about 35% of all formula via the Women, Infants and Children (WIC) program. The programs had allowed mothers to obtain whatever brand formula their doctors recommended. But suddenly, the formula makers found themselves competing directly—and on price—for WIC contracts.

Enter Carnation, which was purchased by Nestlé in 1985. Carnation had never been a factor in the infant formula business. But as competition flared after 1988, Carnation decided to get into the market. It did so by aggressively marketing its Good Start and Follow-Up formulas not only to pediatricians but also directly to consumers. Good Start and Follow-Up were essentially the same product as Abbott's Similac and Isomil, Bristol-Myers Squibb's Enfamil and Prosobee, and American Home Products' SMA and Nursoy. The only real difference: Carnation's product was a good deal cheaper.

Meanwhile, infant formula caught the eyes of trustbusters at the Federal Trade Commission, who wondered why there hadn't been more competition in the past. Last June the FTC charged that Abbott, Bristol-Myers and American Home had fixed prices for infant formula in government nutrition programs in 1990, and that Abbott and Bristol conspired not to advertise the product directly to consumers. American Home Products (with around 14% of the formula market) and Bristol-Myers Squibb (with 30%) immediately settled with the government. But Abbott Labs, with 50% of the market, is fighting the FTC's charges.

Whatever happens with the FTC suit, the new competition in the formula market is certain to hurt Abbott.

Winners and losers

Company	Recent price	Latest 12-month EPS	P/E	Total sales ($mil)	Baby formula sales ($mil)	Baby formula % of total sales	Baby formula market share	Price/cash flow	5-year ROE
Abbott Laboratories	27½	$1.38	19.9	$6,877	1,060	15.4%	50%	15.9	32.8%
American Home Products	64⅝	4.63	14.0	7,079	156	2.2	14	13.2	43.0
Bristol-Myers Squibb[1]	63	4.07	15.5	11,159	547	4.9	30	14.2	30.7
Carnation[2]	NA	NA	NA	7,000[3]	65	1.0	6	NA	NA

Sales figures are for 1991. U.S. market share data as of second quarter of 1992. [1]Includes Gerber Products sales. [2]A subsidiary of Nestlé USA. [3]Nestlé USA revenues. NA: Not applicable.

Sources: Value Line via Lotus One Source; Information Resources, Inc.

As the marketing of infant formula changes, Abbott Labs, with the most market share, also has the most to lose.

Carnation is pricing its formula 12% to 35% below Abbott's products—whereas a 16 ounce can of Abbott's Similac powder goes for $10, the same quantity of Carnation's Follow-Up costs around $6.50. And Bristol-Myers, which licensed the well-known Gerber Products name in 1989 to develop a consumer brand, is giving away coupons for free trial quantities of Gerber formula in order to build market share.

Prices in the big state-controlled WIC sector are really falling. Example: Oregon used to pay the manufacturers' full wholesale price for formula until sole sourcing cut its formula procurement cost to 56% of wholesale. This year Oregon and other states have allied for the first time to get yet lower prices, and in July Oregon began paying only 20% of wholesale. To offset these cuts, Abbott last year raised its consumer prices a big 16%.

Last year infant formula generated around 15% of Abbott's $7 billion in sales and around 20% of its operating earnings. But the competition has already pushed operating margins on Similac and Isomil from the 30% to 35% range (better than Abbott's drug and hospital supply units), down to 25% to 30%. Also worrisome: Abbott's share of the formula market has slipped from 55% to 50%. Its formula sales are growing at 3% a year, down from 10% a year through most of the 1980s.

Abbott executives say the company knows how to market drug products to doctors and hospitals. But they admit they don't have much expertise when it comes to selling directly to consumers. Abbott's handful of consumer goods—including Murine eyedrops and Selsun Blue dandruff shampoo—are also-rans in their markets. Abbott continues to market Similac and Isomil only to pediatricians.

What of Carnation, the company that ignited the baby milk wars? It has taken only a 6% share of the formula market, but one knowledgeable competitor expects that figure to climb rapidly. Gerber Products' Chairman Alfred Piergellini led Carnation's formula efforts before joining Gerber in 1989. Says Piergellini, referring to giant Nestlé: "Remember who's bankrolling Carnation. It doesn't have to be profitable for a long time. They are willing to invest." ■

Even the most crowded and competitive businesses offer opportunities to those who can develop some kind of an edge. In a service business, Osman Siddique figured out how to give extra service at no extra cost.

In the shadow of American Express

By Tatiana Pouschine

THERE ARE only 32 travel agencies in the country that generate more than $100 million in revenues. Big corporate business tends to go to travel industry giants like American Express, Carlson Travel, Thomas Cook, Rosenbluth and U.S. Travel rather than to small independents. It's tough breaking into this charmed circle.

But 42-year-old Osman Siddique is trying to do just that. His 16-year-old Washington, D.C.-based corporate travel business, Travelogue, Inc., generates $40 million a year in revenues and is growing rapidly.

Osman Siddique is living proof that even the toughest business offers opportunity for those who can find a unique approach.

One of nine children of a Bangladeshi ambassador and university president, Siddique broke with his family's mandarin tradition to become a businessman. It started when he needed money to pay for an American education. Working his way though Indiana University, he picked up trash at the football stadium and summers worked as a waiter, bartender and later on as captain at a posh restaurant in Washington.

In 1974 he was equipped with an M.B.A. and a flair for salesmanship that owed something to his diplomatic background, something to his restaurant experiences. He joined Metropolitan Life in Washington to help develop individual financial plans and made sales calls.

It was a start on the American ladder but not at all what Siddique wanted. Asking himself where he would be in 20 years, he answered: "I'd be an assistant vice president posted somewhere dull." He decided he would start his own business. In what? Well, he loved travel. In 1976 he scraped together $25,000 and started a travel agency.

Selling travel to the Indian subcontinent would have been the obvious route for someone with his background and experience, but Siddique felt it would be too limiting. Corporate travel offered promise, but the big accounts were sewn up by Thomas Cook and American Express. He decided to go after small corporate clients—not the $50 million account but the $300,000 account.

To live frugally he moved into the basement of his brother's Washington home (his brother was an economist at the World Bank) and rented office space right next to American Express. He hired a travel agent to handle the tariff books and write tickets while he hit the pavement drumming up business for Travelogue. He began with cold calls, using the Yellow Pages for names, walking into office buildings and pitching anyone

A new era of deregulated power production is giving growth stock fans a taste of the electric business.

Speculative utilities

By Manjeet Kripalani

THE HOT UTILITY stocks right now are not for widows and orphans. They are new issues from so-called independent power producers like fast-growing AES Corp. of Arlington, Va., which wholesales power to businesses and to other electric companies from six plants around the country.

No stodgy utilities, these. Independent power producers borrow heavily against long-term contracts with big power users to build efficient new plants. The companies aren't bound by federal regulation or state utility commissions in setting rates. With none of the overhead or regulation of a traditional utility, independents have a tremendous pricing edge.

What makes these stocks speculative is their high degree of leverage. Look at AES: Even after its initial stock offering in June 1991, debt to equity is roughly 10-to-1. That leverage gives this hot growth company a return on equity of 34%, even though its pretax return on capital (operating income divided by debt and equity capital, not counting capital tied up in partly built plants) is only 13%.

Leverage cuts both ways. AES got into trouble with a power plant it completed in 1986 for Houston Lighting & Power. The plant's electricity price is tied to the price of gas, which went down, and the plant isn't covering its interest costs. AES started out as an owner of the plant but is now just an operator.

Needless to say, companies like this don't pay dividends as normal utility stocks do. They need to hold on to every penny that comes in to reduce their debt ratios.

Of the country's 117 independent power producers, only a handful are public. But they are having a field day on Wall Street. In the past year and a half, three indies have raised $600 million in public stock and bond offerings. Over the next ten years, projects the Edison Electric Institute, independents will add some 35 gigawatts of generating capacity, almost half of what traditional utilities are planning to add. A gigawatt, or 1 million kilowatts, is enough power for a city of 500,000; coal-fired plants with that much power would cost $1.5 billion to build.

The independents are competing internationally against equipment powerhouses like Asea Brown Boveri and Westinghouse, which build and operate plants abroad. California Energy and Destec Energy raised a quarter of their funds overseas; AES is developing and operating generating plants in the recently privatized utility sector of the U.K. It is also developing plants in Poland, Hungary, Mexico and Oman.

But the biggest opportunity for growth will be right here. An upcoming amendment to federal utilities regulations will open up interstate power transmission lines to the independents. That means they will gain access to the utilities' wholesale customers, too. And utilities planning to add capacity will be required to accept supply bids from independents in competition with their own plants.

But keep the risks in mind. Some independents are betting on newfangled technology, such as fluidized coal and geothermal power. Consider, also, that independents tend to rely on a few large customers. Contracts are typically for long terms, but they leave buyers with certain outs, and suppliers with little negotiating power in case of a dispute. A heavily leveraged supplier simply can't afford to have a plant shut down for any length of time.

Some of these companies are trading at below-market price/earnings ratios, but they all are expensive in relation to revenues. AES, with 1991 revenues of $334 million, has a market cap of $905 million. Destec Energy, the former Dow Chemical subsidiary that raised $300 million in its 1991 initial public offering, has a market cap of nearly $1 billion, or two times revenues.

In short, while many of these power companies may turn out to be highly successful, their stocks are no bargains. ■

Independent power producers

Company	Revenue per kwh (cents)	Recent price	Book value per share	Earnings per share	Dividend	Book value of plant per kw
AES	5.8	20¾	$3.26	$1.07	$0.11	$1,253
California Energy	12.5	12⅜	4.34	0.83	—	1,280
Destec Energy	4.1	14¾	7.62	1.32	—	161
Magma Power	7.8	22¼	9.90	1.49	—	1,646

Note: All data for fiscal 1991, except Earnings per share, which is for latest 12 months.

These are all growth stocks—and, like most growth stocks, quite risky.

Meet Jim Clayton: sharecropper's son, used-car dealer, onetime bankrupt. Now he makes and sells trailer homes and is worth $265 million. And he got into the country club.

The singing mobile home salesman

By William Stern

JAMES LEE CLAYTON wasn't all that surprised when the bluebloods at Knoxville's exclusive Cherokee Country Club blackballed his membership application in 1986. Never mind that at the time he was worth $63 million as founder, chairman and chief executive of Clayton Homes, Inc., maker and retailer of mobile homes. Says Clayton: "I'm sure they said, 'No bankrupt car dealer's gonna get into our country club.' "

Eventually the bluebloods relented; in 1988 they let Clayton join their club, thereby associating themselves with a future member of The Forbes Four Hundred wealthiest Americans *(Oct. 19)*. Clayton's 29.4% stake in Clayton Homes—now the nation's largest retailer and fourth-largest manufacturer of mobile homes, with sales of $371 million—is currently worth over $250 million.

This is all self-made new money, which always makes old inherited money feel insecure. "My daddy picked cotton," says Clayton in his best down-home accent. "Momma worked in a shirt factory. My brother and I were up at 5 a.m. before school to do the milking. I dreaded holidays. Thanksgiving meant backbreaking farm work. Pickin' cotton . . . now that's hard work!"

Clayton left west Tennessee in 1953 to enroll as an electrical engineering major at the University of Tennessee. While there he bought and sold used cars through the classified ads. While still an undergraduate he opened a little used-car lot on the strip along Clinton Highway in northern Knoxville; he was soon joined by his younger brother Joe.

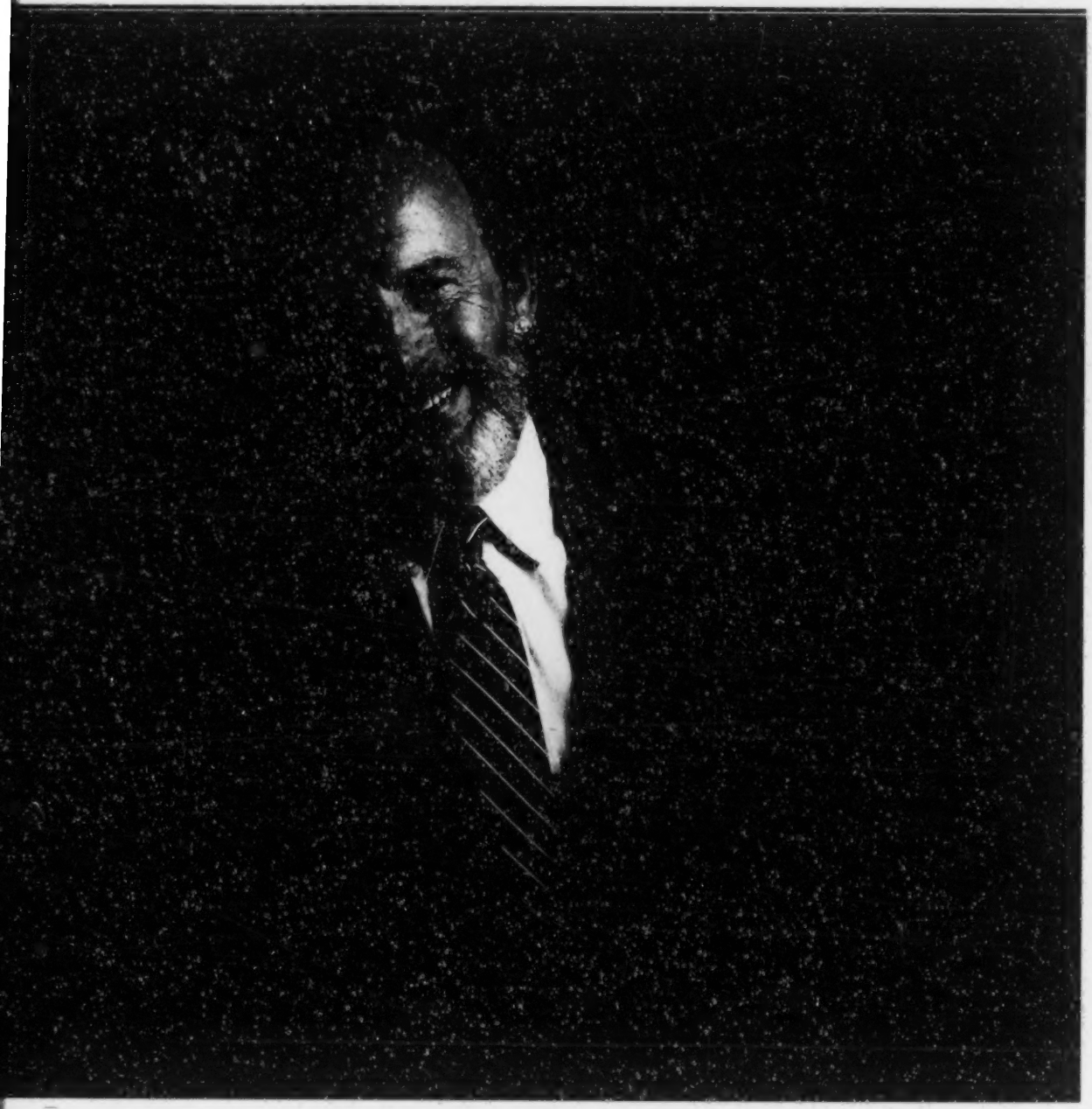
Jim Clayton in 1965, and today as chairman of Clayton Homes **Hillbilly Jim has strummed and sung with the likes of Dolly Parton.**

Then came the incident that may have weighed against him at the Cherokee Club. In 1961 Knoxville's Hamilton National Bank called in a loan, forcing Clayton's car lot into bankruptcy. The bank dissolved the company and Clayton, then 27, enrolled in law school at the University of Tennessee. But he and his younger brother soon opened a second used-car business on the same premises. Joe Clayton recalls his older brother saying at the time: "No one's gonna bankrupt me again."

Jim Clayton graduated from law school in 1964; two years later he borrowed $25,000 from a local bank and founded Clayton Homes, a mobile home retail outlet, across the highway from Clayton Motors' lot. (He eventually sold his half of the car business to Joe in 1981.)

Why mobile homes? Clayton says he'd sold two mobile homes on behalf of graduating law school classmates who were leaving Knoxville. "I just kinda slid into the business," he says.

In fact, selling mobile homes wasn't much different from selling cars—same financing, many of the same customers, most of the same prospecting and closing techniques. Moreover, the mobile home business carries higher margins than the car business and markups comparable to



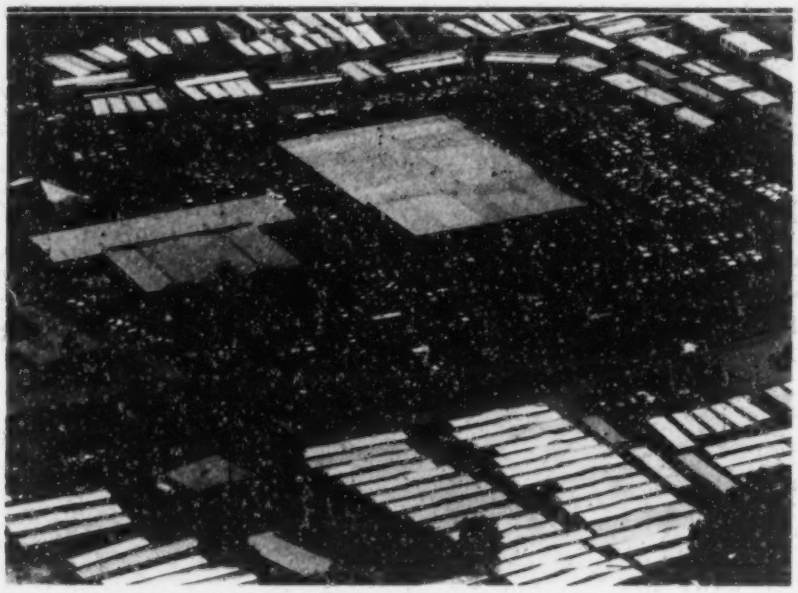
those of tract homebuilders.

Clayton had one prospecting technique no other mobile home salesman could claim. From 1960 to 1976 he was a part-time host on *Startime*, a weekly variety program on Knoxville TV. Clayton strummed the guitar, sang along with the likes of Dolly Parton and made himself into a minor celebrity in east Tennessee—priceless for a salesman.

Clayton enjoyed another advantage: The Southeast has long been the U.S.' largest market for mobile homes. By 1970, four years after he opened it, Clayton's sales lot was moving around 700 units a year.

Clayton's secret? High turnover. Clayton sacrificed margins to move homes, and the formula worked. With a simple $25,000 inventory loan, Clayton could buy 20 homes and sell them in a matter of days, often before the loan was due. Clayton moved fast: He insisted that the homes be ready to show to customers only an hour after being unloaded from the manufacturer. Fast sales work meant his inventory financing was modest in relation to the number of units sold.

As sales grew, Clayton integrated backwards and sideways. In 1970 he began manufacturing mobile homes. In 1974 he started a mortgage subsidiary to finance his sales. In June 1983 Clayton decided to cash in. He took Clayton Homes public at $3.36 a share, valuing the company at $31 million. It soon appeared he was get-



The Clayton Homes lot along Clinton Highway in northern Knoxville, 1970

"Jim sold those homes like a madman."

ting out at the top. From 1984 to 1991 industrywide mobile home shipments fell from 295,000 to 170,700 units; this year they'll probably come in at 192,000.

Yet over the same eight-year period, Clayton Homes' earnings per share grew at an annual compound rate of 23% (to $1.11 last year) as its share of the mobile home sales market climbed from 1.8% to 7.4%. Clayton Homes stock topped 27 last April, but has since backed off to 23⅝.

Up to a point, Clayton was lucky. In the early 1980s he hadn't yet entered the huge Texas market, and so avoided the massive losses suffered there by competitors Oakwood Homes and Fleetwood Enterprises as oil prices collapsed.

But the luck is backed by ability, too. Says Clayton's chief competitor, Oakwood Homes' Chief Executive Nicholas St. George: "Clayton's just plain good at what he does."

Clayton is far more vertically integrated than any of his competitors save Oakwood. When a customer walks into a Clayton-owned sales center, Clayton can make money from him in four ways. He builds mobile homes, sells them through 312 independent dealers and 130 company-owned outlets, finances them and owns 27 trailer parks ("communities," he quickly corrects a reporter) in which to park them.

In recent years, for example, Fleetwood has chased market share by slashing prices; this has squeezed Clayton's gross margins. But he has more than made that up by financing his customers' purchases. With over $882 million in loans on its books, Clayton's finance subsidiary accounted for 49% of the firm's net income of $39.3 million in 1992.

How solid are those loans? Clayton has put in place incentives to discourage lending for the sake of moving merchandise off the lot. When a Clayton sales manager recommends approval of a loan, he knows that if the loan goes bad, it comes out of his pocket. For example: A customer pays $24,000 for a financed mobile home, but cannot make his payments. Of the $2,500 typically lost, the sales manager is responsible for up to 50%.

But what happens if the loan performs? Over a typical seven-year loan period, Clayton Homes will make $500 per year per home. The sales manager shares up to half of that.

The incentives have worked so far. Clayton Homes' net chargeoffs in 1991 came to only 0.3% of average loans outstanding. By comparison, Oakwood's comparable chargeoffs ran almost three times as high.

Now 58 and wealthy beyond his wildest dreams, Clayton shows no signs of slowing down. Twice divorced and currently dating a USAir flight attendant, he logs hundreds of hours a year piloting his Cessna Citation II jet or the firm's Jet Ranger III helicopter. That hobby might give some Clayton Homes stockholders cause for reflection. As Richard Ray, Clayton Homes chief financial officer puts it, "What happens after Jim isn't around anymore?" But barring an unforeseeable accident, that's unlikely to be a problem for several more years to come.

The mobile home community

Company	Recent price	Latest 12-month EPS	P/E	Yield %	Sales ($mil)	Profit margin	5-year ROE
Clayton Homes	23⅝	$1.13	20.9	0.0%	$371	8.9%	17.2%
Champion Enterprises	4⅜	-0.09	NM	0.0	270	-0.2	-16.0
Fleetwood Enterprises	33	1.86	17.7	2.8	1,401	2.2	12.1
Oakwood Homes	14½	0.91	15.9	0.6	163	5.4	7.1
Skyline	16⅛	0.52	31.0	3.0	328	1.6	6.8

NM: Not meaningful.
Source: Value Line via Lotus One Source.

Mobile home shipments shrank 42% from 1984 to 1991, falling from 295,000 to 170,700 homes. Over the same time frame, Clayton compounded its earnings per share 23%, leaving its competitors behind.

Your favorite charity may be better at collecting money and fudging the accounting rules than at getting the money out to worthy causes.

The accounting games charities play

By Roula Khalaf

LAST YEAR St. Labre Indian School, an Ashland, Mont. Catholic charity that runs schools on Indian reservations, collected nearly $17 million from the public. It spent over $5 million to raise that amount. Thus only 68 cents of every dollar raised actually made it to the classrooms.

But to make the operation look more efficient, the charity reported it raised only $14.6 million and spent only $2 million on fundraising. Through bookkeeping magic, the group's ratio of charitable spending to total expenses suddenly jumped from 66% to 76%. That higher ratio looks better when hitting up potential donors for contributions.

Was St. Labre bending the rules? Not really. Under some obscure guidelines set by something called the National Catholic Development Conference, the school may reduce its reported fundraising costs by the amount raised from *new* donors—$2 million in St. Labre's case.

St. Labre isn't unusual. Hundreds of tax-exempt organizations that have turned charity into a huge business use similar accounting practices. Nonprofit organizations took in $125 billion last year, with 88% of that contributed by individual donors. Yet, unlike for-profit companies, which must adhere to fairly strict accounting rules, charities are subject only to the vaguest of rules. As a result, donors often can't tell if a charity is efficient at collecting and disbursing money for worthy causes or just good at cooking its books.

"Charities are toying with the credibility and integrity of their financial statements," says Kenneth L. Albrecht, head of the National Charities Information Bureau, a New York-based industry watchdog. "We have an epidemic."

Adds Russy Sumariwalla, a charities accounting expert who heads United Way International: "The system is not designed to honestly disclose to the donor the real picture."

The basic problem: The people who run charities like to be able to show most of the money they raise goes to fund the worthy programs their donors like—saving dolphins, say, or promoting health awareness. To make their reported program expenses as high as possible, they try to make the amounts spent on fundraising, highly paid administrators and other overhead as low as possible.

Until 1987 charities didn't have much leeway when reporting their fundraising costs to state governments. A rule followed by most auditors held that if the primary purpose of an activity was to raise money, it had to be accounted for as a fundraising expense. Period.

That changed in 1987. Several of the country's biggest charities—among them the American Lung Association and the March of Dimes—convinced the American Institute of Certified Public Accountants to write a new rule and state regulators to accept it. This one says that part of fundraising costs can be classified as "educational" costs, as long as the charity can prove the audience is specifically interested in its cause and the message motivates the recipient to act rather than just contribute.

That's the theory. The practice? Practically every charitable solicitation now comes with a newsletter, sticker or some other "educational" material that lets the charity's execu-

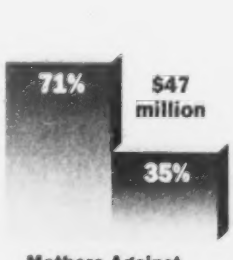
Accounting magic

Here's what a few charities that take full advantage of the current accounting rules would be spending on charity if they couldn't allocate a portion of their fundraising costs to educational programs.

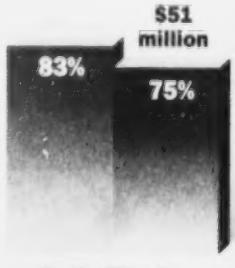
1991 program expenses as a percent of total expenses

Reported Adjusted

Numbers in green indicate direct public support



Mothers Against Drunk Driving



Cystic Fibrosis Foundation (1990 data)

Sources: Form 990, audited financial statements, NCIB reports

tives deflate their reported fundraising costs and inflate the percentage they disburse to the programs they're supposed to support. Says charities watchdog Albrecht: "Public education has become the toxic dump of charity accounting."

Take $3 million (direct public support 1991 fiscal year) American Heart Disease Prevention Foundation. It says it spent 29% of its expenses on charity last year—an unusually small percentage. Eliminating education expense, the amount spent directly on charity drops to just 5%. Most of the rest went for fundraising.

Why are those costs so high? One clue: Heart Disease until recently was a client of Watson & Hughey (now Direct Response Consulting Services), an Alexandria, Va. direct mail outfit with a history of charging little charities big fees. Attorney Errol Copilevitz, who represents Watson & Hughey, says his client's fees are "customary and reasonable."

American Heart has hired a new fundraiser, Houston-based TeleSystems Marketing. But this firm may prove to be no more helpful. Run until recently by a convicted felon (and now by his wife), TeleSystems was sued for fraud in 1990 by the Illinois Attorney General. Illinois alleges the telemarketer charged National Children's Cancer Society, a St. Louis-based charity, $8.3 million for raising $9 million. National Children claimed one-third of this fundraising cost was for "educational" materials. Copilevitz, who represents TeleSystems and National Children as well, says there is no law against high fundraising expenses.

Big charities play the education allocation game, too. Consider the American Lung Association, which uses a sophisticated sweepstakes billed as an "old fashioned" raffle. The charity assigns 20% of the cost of its sweepstakes mailings to education.

Where is the "educational" material? A spokesperson for the charity notes that on the back of each sweepstakes ticket is a picture and text about people helped by donations.

Does this information serve any purpose other than making you want to enter the sweepstakes? The American Lung Association people and their auditors say it does, and under the current accounting rules, their judgment usually is all that matters.

"When donors call us," says Steve Arter, a senior financial investigator specializing in charities at the Pennsylvania Attorney General's office, "we'll say such and such a charity spends 80% [of the money it raises] on programs. But what that doesn't tell you is that the charity may be spending 2 cents on research and the remaining 78 cents on what you're holding in your hand."

Yielding to pressure from state officials like Arter, the American Institute of Certified Public Accountants is studying ways to tighten the rules on what can be charged to education. A decision is expected next year.

Meanwhile, some charities are turning for guidance to a book coauthored by Robert Frank, a Washington, D.C. area accountant who advocates the "physical units" method of allocating costs. What Frank means is counting words. So if a charity spent $100,000 to mail a 500-word solicitation attached to a 5,000-word "educational" newsletter, 90% of the cost could be considered money spent on programs.

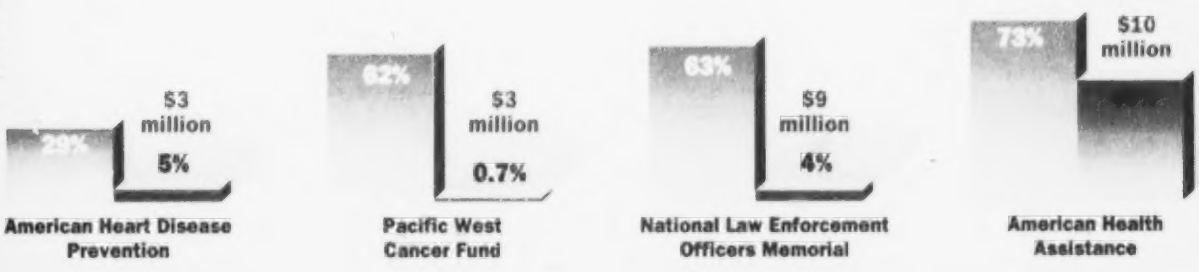
"Word counting is theoretically appropriate," says Richard Larkin, a director at Price Waterhouse and head of an AICPA task force on nonprofits. "But it's subject to abuse by charities that pad the mailings with fluff."

A lot of the charities' expenses for administrative costs end up as program costs, too. "We're seeing charities that report administrative costs of only 1% or 2%," says Pennsylvania charities investigator Arter. "It's rare now to see anyone reporting costs over 5%. It's not that they've become any more efficient, but they're writing off the costs to programs, including legal and accounting fees."

Compassion International, an agency that arranges sponsorship of children, raised over $35 million from the public in fiscal 1991. Compassion books nearly half of its accounting costs under spending on its programs. Says Scott Noll, one of Compassion's internal accountants: "There are no real standards for what can be included in programs. Each organization is flexible in what it calls 'programs.' "

More headaches arise in accounting for donated goods. Charities can record the fair market value of goods received as contributions, and then as program costs unless the goods are just passed on to other charities. But that rule is often abused.

In August Connecticut and Pennsylvania filed lawsuits accusing four charities of booking worthless goods at inflated prices and passing them on to other charities, which put them on their books at the same inflated values. The states' attorneys general charged that Knoxville, Tenn.-based Cancer Fund of America falsely claimed in 1990 that it had spent $7.4 million on "patient services." But of that amount, $2.5 million was the value asserted by the charity of unsalable vegetable seeds CFA had allegedly purchased for a mere $25,462 and passed on to another relief organization, which in turn donated the seeds



to a South Dakota Indian reservation.

Another of the charities under investigation by Connecticut is Feed the Children, based in Oklahoma City. Out of total program expenses of $102 million last year, this charity recorded $86 million as the value of in-kind gifts. Investigators are looking into whether Feed the Children reported the value of used books it passed on to other charities to make its ratio of expenses to program spending look more efficient. John Schantz, Feed the Children's controller, says he isn't aware of any probe.

In another example of the curious ties that often pop up in the charity industry, it turns out that a Washington, D.C. accountant named Bryan Brown, of now defunct Brown & Co., audited the books of all four charities sued by Connecticut and Pennsylvania. Brown, who declined to talk to FORBES, now runs a former client, the American Indian Relief Council in Rapid City, S.D.

Here's yet another twist: Many charities sell merchandise—gifts, cards, T shirts and the like—to supplement their donations. The cost of producing those products can be considered a program expense—if the products are "program-related."

The National Wildlife Federation, for instance, considers the production and distribution of Christmas cards and toys with conservation themes a part of its charitable program activity. "Getting people excited about nature is exactly what our mission is all about," says Lynn Bowersox, National Wildlife's media relations manager.

The wildlife group has no qualms about adding around $12 million a year in merchandise production costs to its reported expenditures on charitable programs. But the National Charities Information Bureau, which evaluates charities, thinks this is one accounting gimmick too many. Excluding these merchandise costs, National Wildlife spent 64%, not 69%, of its total expenses on charitable programs in fiscal 1991.

Some charities are awash with cash but hold back charitable spending. Shriners Hospitals for Crippled Children, for example, took in revenues of $500 million last year, but spent less than 50% on programs, tucking most of the rest away for investment. Shriners has been criticized by the Better Business Bureaus' philanthropic advisory service for not spending enough of its income on programs.

And some charities use multiple accounting gimmicks to make program expenditures look impressive. Example: World Vision, the Christian charity that provides health, disaster and poverty assistance around the world.

World Vision claims 80% (or $187 million) of its total expenditures goes to charitable activities. The figure is inflated several ways. First, about $73 million is goods, not cash, that were passed on to other charities or its independent field offices. Second, nearly $9 million is booked as a public awareness and education expense incurred with fundraising costs; charity industry watchdogs at the NCIB believe all that $9 million should be reported as fundraising expenses.

We're down to actual program expenses of $105 million. But only $4 million of that went to evangelism in the U.S., and another $97 million was actually sent to World Vision's international headquarters for charitable uses. And not even that much made it to the charity's programs. Nearly 6% of every dollar received by headquarters goes to administration; figure another 3% is taken out for administration in the organization's Third World offices.

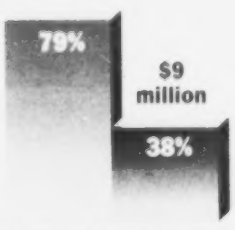
Bottom line: Of the $187 million World Vision says it spent last fiscal year, only $92 million was spent directly on the group's various charitable programs.

Some modest protection for donors is on the way. The Financial Accounting Standards Board, the country's chief rule-setter, is finally getting ready to issue two proposals based on its eight-year effort to write better rules for nonprofit organizations. But don't hold your breath. The FASB proposals deal mostly with presentation and measurement, as opposed to how charities should be allocating costs.

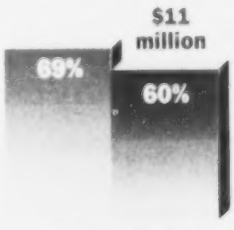
If better accounting from the charities is on the horizon, we may have the Internal Revenue Service's growing interest in the industry to thank. This summer the IRS went to Tax Court to defend its September 1990 decision to rescind the tax exemption of the United Cancer Council, a former client of direct mail fundraiser Watson & Hughey. The charity claimed that 43% to 55% of its direct mail expenses went to public education. But the IRS rejected the charity's accounting and found that only about 4% of UCC's expenses went for exempt purposes. The IRS deemed that percentage insufficient and concluded that the charity was in effect working for the benefit of Watson & Hughey, not cancer patients. A court decision isn't expected before next year, but lots of charities are keeping their eyes glued to the case.

In the meantime, if you're interested in looking into the finances of charities, get a (free) copy of the National Charities Information Bureau's *Wise Giving* guide, which evaluates 400 charitable organizations; the NCIB also issues full reports on individual charities. (Write to NCIB, Department 200, 19 Union Square West, New York, N.Y. 10003.)

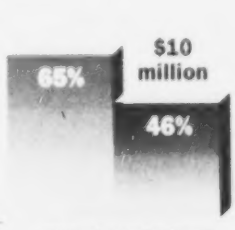
But to really find out where the money goes, put aside your checkbook, pull out your calculator, and ask the charities you're interested in for their annual reports and audited financial statements. A charity that won't send you its financial report isn't worth your money. ■



National Children's Cancer Society



Humane Society of the U.S.



Help Hospitalized Veterans (1990 data)

Evaluating fundraising efficiency

By Roula Khalaf and William Heuslein

How do the country's charities stack up against one another? In an important sense, the question has no answer. Who's to say whether the health consciousness dispensed by the American Lung Association is superior to the dolphin consciousness disseminated by Greenpeace? But from a financial point of view, some comparisons can be made.

Experienced donors usually try to evaluate fundraising efficiency by looking at the percentage ratio of fundraising cost to direct public support—that is, how much a charity had to spend to raise $1 of public contributions. The lower the ratio, the more efficient the charity at distributing money to worthy causes.

In evaluating 100 U.S. charities this year, FORBES is also taking account of the average gift size, because it costs more on average to raise a smaller gift. Amnesty International's 29% fundraising cost percentage is on the high side if compared with all other charities. But it's not out of line with those with a similar average gift size of $25 to $50. (The average gift size method is based on work done by Bill Levis at the Nonprofit Management Group at Baruch College, City University of New York.)

To come up with the figures for the table, FORBES consulted the charities' 1991 Internal Revenue Service filings (Form 990), and audited financial statements. We then asked charities to estimate the total number of gifts received during the year from individuals, corporations and foundations. That gave us the average fundraising cost per gift and average gift size figures. The fundraising cost percentage is the percentage ratio of fundraising costs to direct public support.

As explained in the accompanying story, charities often understate fundraising costs by charging a portion to "educational" programs. We used reports on individual charities published by the National Charities Information Bureau, which adjusts fundraising costs based on a review of the so-called educational materials the charities send out with their fundraising solicitations.

Where the NCIB didn't make adjustments or didn't evaluate the charities, FORBES examined the notes in charities' financial statements to find out which organizations charge part of their fundraising costs to educational programs. If the educational amount turned out to be more than 40% of the total cost, we made an adjustment to keep it at no more than 40%. Why? Nonprofit experts FORBES consulted say 40% is a reasonable cutoff point. We applied that ceiling to ten charities on this list.

For example, the Arthritis Foundation claims that 70% of the cost of certain events isn't fundraising expense but rather money spent on its educational programs. This yields a fundraising cost percentage of 17%. By accepting only 40% of the cost as education, FORBES arrived at a fundraising cost percentage of 23%.

It's best to compare charities within groups. The median fundraising cost is what's reasonable for the group. The fundraising cost per gift column shows how much of your gift goes to fundraising.

Many large groups are not represented. Some, like the American Cancer Society, couldn't provide FORBES with their total number of gifts. Others, like the YMCA, don't consolidate their numbers.

It costs more to raise a smaller gift. So compare charities within average gift size groups.

A new evaluation tool

Direct public support ($mil)	Organization	Fund-raising cost per gift ($)	Fund-raising cost %
	Average gift size over $2,500		
136	Institute of International Education	747.17	0.9
33	Museum of Fine Arts (Boston)	192.02	5.6
28	Jewish Communal Fund of New York	100.56	0.3
18	Museum of Modern Art (NY)	562.14	6.5
14	American Museum of Natural History	230.12	8.1
10	Field Museum of Natural History	178.71	6.9
9	Population Council[6]	2,452.17	2.8
8	Jewish Board of Family & Children's Services	257.26	5.9
5	National 4-H Council	380.17	12.4
5	Walker Art Center[7]	432.66	10.6
5	Devereux Foundation	497.95	16.1
2	Girl Scouts of the USA[5]	652.51	22.9
2	Big Brothers/Big Sisters of America[5]	808.35	19.3
2	Eleutherian Mills-Hagley Foundation (Museum)	775.32	28.0
2	Catholic Charities USA[1,5]	519.66	20.2
	Median		8.1

[1]Fiscal year 1990. [2]Fiscal year 1992. [3]Fundraising costs adjusted (NCIB). [4]Fundraising costs adjusted 60% to fundraising (Forbes). [5]National office, exclusive of affiliates. [6]Average gift is $87,600. [7]Includes indirect public support. [8]Includes membership dues and membership development costs. [9]Excluding $13 million of endowments, grants and bequests. [10]Direct mail only, total public support equals $100 million. [11]Fundraising cost includes $3 million in donor development costs. [12]From audited financial statements, including combined and consolidated. [13]From unaudited combined and audited financial statements.

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

Wall Street is living up to its tradition of not performing well during periods of uncertainty. But the bulls are saying that once the election is over—no matter the outcome—stocks will pick up again. Basis of their case: Banks and money market funds don't even offer positive returns after taxes and inflation.

Investors who like stocks that are out of favor might consider two tarnished blue chips recommended by William LeFevre of Tucker Anthony and Sutro & Co.: IBM and General Motors. LeFevre says both offer excellent opportunities for dividend income and capital gains. IBM is paying a 6% yield—more than some utilities—and LeFevre feels the dividend is safe. "IBM is still the dominant computer maker because of its overseas markets," he says. LeFevre also likes the yield on GM (5%) and the fact that the stock is down 30% from its high set earlier this year.

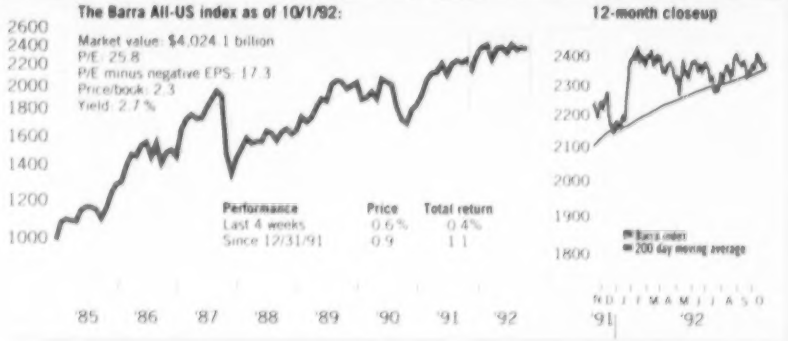
Special focus

Over the past year, two out of every three initial public offerings had a first-day close higher than the offer price. But a quick start does not guarantee a good finish. The table shows the performance to date (measured from offering price) of the ten new issues of the last 12 months that had the biggest first-day gains.

IPOs too hot to handle

Company	Gain — first day	Gain — 9/30
Radiation Care	106%	-50%
Lifecell	94	68
Alteon	92	-33
Synopsys	75	64
Olympic Finl Ltd	75	104
Grand Casinos	75	205
Target Therapeutics	71	31
Megacards	70	-30
Defense Software/Sys	69	60
LaserSight	68	133

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-1.1%	7.8%	-3.4%
S&P/Barra Growth index	-1.9	11.0	-3.2
S&P/Barra Value index	-0.3	11.7	-2.3
Dow Jones industrials	-1.8	9.0	-4.7
S&P 500	-0.9	8.3	-2.1
NYSE	-1.0	8.0	-2.1
Nasdaq	-1.6	11.1	-10.3
Amex	-2.7	0.5	-10.5
EAFE	-1.4	9.3	-26.1
CRB index[1]	-0.3	7.0	-26.0
Gold[2]	-0.1	-2.9	-30.8
Yen (per $U.S.)	-3.7	-10.1	-27.0
Oil[3]	-2.0	-3.5	-46.9

The best and worst performing stocks[4]

Best	Price	2-week change	1992 EPS[5]	Worst	Price	2-week change	1992 EPS[5]
Alexander's	28 1/8	39%	NA	Home Nutritional Svcs	7	-48%	$0.99
DSC Communications	12	33	$0.06	Gensia Pharmaceuticals	19 1/2	-48	-1.21
Bertucci's	17 1/2	32	0.59	Computervision	5 1/8	-45	NA
Preferred Health Care	16	31	0.43	Total Pharmaceutical Care	12	-43	0.89
Bernard Chaus	9 1/8	29	0.38[6]	Exabyte	14	-41	2.16

The best and worst performing industry factors[7]

Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Life insurance	9.8%	6.8%	Beverages	-8.9%	-8.7%
Real estate	9.2	-10.5	Electric utilities	-8.2	-8.8
Trucking	7.5	7.9	Gas utilities	-6.7	-1.4
Property & health insurance	6.6	13.1	Misc mining & metals	-5.9	-4.3
Household products	4.7	7.5	Drugs	-5.7	-20.7

Note: Data for period ending 10/1/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above-average earnings growth. [2] Total return of more than 300 large capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences, including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. [9] 1993 estimate. Principal source: Barra, Inc., Berkeley, Calif.

NEW ISSUES REVIEW

BY SCOTT DeCARLO

The biggest new issues[1]

Company/business	Exchange	Offer date	Offer price	Recent price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Equitable Companies/insurance	n	7/15/92	9	8⅛	$392	Goldman, Sachs	-10%	90
Computervision/computer equip & svcs	n	8/14/92	12	6¼	300	Lehman Brothers	-48	52
Sunbeam-Oster/small appliances	n	8/18/92	12½	13⅜	250	Merrill Lynch	7	108
Fleet Mortgage Group/mortgage banking	n	7/31/92	23	20	191	Goldman, Sachs	-13	88
Rexnord/bearings	n	7/1/92	17	15¾	156	DLJ	-8	91
Gtech Holdings/computerized lottery sys	n	7/22/92	17	26	145	DLJ	53	150
USX-Delhi Group/gas pipeline	n	9/24/92	16	15⅛	144	Lehman Brothers	-4	96
Bradlees/department stores	n	7/1/92	13	13⅛	143	Merrill Lynch	7	105
Enron Liquid Pipeline/gas pipeline	n	7/30/92	23	26⅛	130	Lehman Brothers	17	119
John Alden Financial/insurance	n	9/25/92	15	15	110	First Boston	0	99

Performance update

Although 1992 will go down on the books as a record year in the amount of capital raised in the new issues market, the market's pace slowed considerably in the last quarter. Securities Data Corp. of Newark, N.J. reports that through the first nine months of 1992, 335 new issues raised $16.7 billion, up from 195 issues raising $8.7 billion during the same period last year. But the third quarter of 1992 was slower than the third quarter of 1991. September saw only 28 initial offerings, the lowest monthly total since March 1991.

The new issues market seems unlikely to catch a second wind in the last quarter of this year. One bearish sign is all the postponements. Revlon, for instance, in May announced its intention to raise $209 million, with an offering of 11 million shares at $19 a share. Even after reducing the offering price from $15 to $14, Merrill Lynch couldn't drum up enough buy orders to make the deal fly. Other offerings postponed since last spring include Life Partners Group. First Boston originally priced the issue at $17 but was unable to sell it, even after cutting the price to $15. Goldman, Sachs didn't have much better luck in its attempt to take Clark Oil & Refining public, despite reducing the price from $16 to $14 a share.

The best new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Northern Springs/bottled water	5	$5	Network Financial	140%	238
Eagle Hardware & Garden/hardware stores	14	42	Montgomery Secs	138	237
Pyxis/leases medical equipment	14	56	Merrill Lynch	105	202
Zoll Medical/medical equipment	10	21	First Boston	103	202
Stratacom/telecomm equipment	7	18	Montgomery Secs	71	170

The worst new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Computervision/computer equip & svcs	12	$300	Lehman Brothers	-48%	52
Bestop/auto parts	9	8	Dain Bosworth	-29	71
Ezcony Interamerica/consumer electronics	7	11	First Equity	-29	72
First Pacific Networks/telecomm svcs	9	45	Nomura Secs	-25	74
Xxsys Technologies/measuring devices	3¼	6	Thomas James Asoc	-25	76

The most active investment bankers

Underwriter	Total offerings	Total raised ($mil)
Goldman, Sachs	25	$3,890
Morgan Stanley	27	2,814
Lehman Brothers	32	2,613
Merrill Lynch	21	2,407
First Boston	24	1,817

Industries going public

Industry	Total offerings	Total raised ($mil)
Manufacturing	187	$9,188
Services	67	2,666
Retail	43	2,115
Health care	32	2,102
Insurance	12	1,237

Note: This report covers initial public offerings of common equities with offer date of 7/1/92 to 9/30/92, offering price of $2.50 or more and offering value of $5 million or more. Closed-end funds, limited partnerships, and ADRs (American Depositary Receipts) of corporations already traded in foreign countries are excluded, as are REITs and spinoffs. [1]Last quarter. [2]The ending value of $100 invested in the stock, divided by the ending value of $1 invested in the market. [3]Latest 12 months. Source: Securities Data Co.